

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

LEGISLATIVE HISTORY

Public Law 88-59
H. R. 1819

TABLE OF CONTENTS

Index and summary of H. R. 1819.....	1
Digest of Public Law 88-59	2

INDEX AND SUMMARY OF H. R. 1819

Jan. 14, 1963	Rep. Olsen (Mont.) introduced H. R. 1819 which was referred to the House Post Office and Civil Service Committee. Print of bill as introduced.
Mar. 4, 1963	Sen. Johnston introduced S. 992 which was referred to the Senate Post Office and Civil Service Committee. Print of bill as introduced.
Mar. 28, 1963	House subcommittee voted to report H. R. 1819.
Apr. 4, 1963	House committee reported H. R. 1819 without amendment. H. Report 190. Print of bill and report.
Apr. 22, 1963	House passed over H. R. 1819.
May 6, 1963	House passed over H. R. 1819.
May 20, 1963	House passed H. R. 1819 without amendment.
May 21, 1963	H. R. 1819 was referred to the Senate Post Office and Civil Service Committee. Print of bill as referred.
June 13, 1963	Senate subcommittee voted to report H. R. 1819.
June 17, 1963	Senate committee reported H. R. 1819 without amendment. S. Report No. 251. Print of bill and report.
June 26, 1963	Senate passed H. R. 1819 without amendment.
July 8, 1963	Approved: Public Law 88-59.

H. R. 1819

IN THE HOUSE OF REPRESENTATIVES

JANUARY 14, 1963

Mr. OLSEN of Montana introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) section 2 (i) of the Federal Employees Health
4 Benefits Act of 1959 (73 Stat. 710; 5 U.S.C. 3001 (i)) is
5 amended by striking out "1959" and inserting in lieu thereof
6 "1963".

7 (b) Section 4 (3) of such Act (73 Stat. 711; 5 U.S.C.
8 3003 (3)) is amended by striking out ", and which on July
9 1, 1959, provided health benefits to members of the organ-
10 ization".

88TH CONGRESS
1ST Session

H. R. 1819

A BILL

To amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes.

By Mr. OLSEN of Montana

JANUARY 14, 1963

Referred to the Committee on Post Office and Civil Service

S. 992

IN THE SENATE OF THE UNITED STATES

MARCH 4, 1963

Mr. JOHNSTON introduced the following bill ; which was read twice and referred to the Committee on Post Office and Civil Service

A BILL

To amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) section 2 (i) of the Federal Employees Health
4 Benefits Act of 1959 (73 Stat. 710; 5 U.S.C. 3001 (i))
5 is amended by striking out "1959" and inserting in lieu
6 thereof "1963".

7 (b) Section 4 (3) of such Act (73 Stat. 711; 5 U.S.C.
8 3003 (3)) is amended by striking out " , and which on July
9 1, 1959, provided health benefits to members of the organiza-
10 tion".

88TH CONGRESS
1ST SESSION

S. 992

A BILL

To amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes.

By Mr. JOHNSTON

MARCH 4, 1963

Read twice and referred to the Committee on Post Office and Civil Service

House

March 28, 1963

- 5 -

and Insular Affairs Committee. p. 4731

41. MINERALS. The Interior and Insular Affairs Committee reported the following bills with amendment: p. 4732
H. R. 3120, to simplify administration of the Lead-Zinc Small Producers Act (H. Rept. 174);
H. R. 3845, to amend the Lead-Zinc Small Producers Act (H. Rept. 175).
42. WATER CONSERVATION. Received a memorial from the Washington Legislature requesting enactment of legislation authorizing the Bumping Lake Reservoir project with full consideration regarding the rights of all water users. p. 4736
43. LIVESTOCK & MEATS. Received a petition from the beef producers of the 19th District of Illinois requesting certain investigations of the beef industry. p. 4737
44. TRANSPORTATION. The Banking and Currency committee voted to report (but did not actually report) with amendment H. R. 3881, the urban mass transportation bill. p. D177
45. HEALTH. A Post Office and Civil Service Subcommittee voted to report to the full committee H. R. 1819, to amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits. p. D180
46. RETIREMENT. The Post Office and Civil Service Subcommittee (on Mar. 26) voted to report to the full committee the following bills: ; p. D180
H. R. 3612, to define the term "child" for lump-sum payments under the Civil Service Retirement Act;
H. R. 3517 and H. R. 4820 (related bills) regarding Government contribution for expenses incurred in administration of the Retired Federal Employees Health Benefits Act.
47. LEGISLATIVE PROGRAM. Rep. Albert announced that on Tuesday, Apr. 2, the Private Calendar will be called and the House will take up the :Interior Department appropriation bill for fiscal year 1964; and that on Thurs., Apr. 4, the House will take up the Treasury, Post Office, and executive offices appropriation bill for 1964. p. 4656
48. ADJOURNED until Mon., Apr. 1, p. 4730

BILL APPROVED BY THE PRESIDENT

49. MILITARY SERVICE. H. R. 2438, to extend the induction provisions of the Universal Military and Service Act. Approved March 28, 1963 (Public Law 88-2).

BILLS INTRODUCED

50. PERSONNEL. S. 1192, by Sen. Johnston, to amend the Federal Employees Uniform Allowance Act; to Post Office and Civil Service Committee. Remarks p. 4745
- S. 1205, by Sen. Carlson, to amend the Retired Federal Employees Health Benefits Act with respect to the contribution made by the Government toward health benefits protection for retired Federal employees and members of their families; to Post Office and Civil Service Committee.
- H.R. 5178, to grant officers and employees subject to the Civil Service Act of January 16, 1883, the opportunity to examine and reply to certain evaluations of their promotion qualifications; to Post Office Committee. Remarks of author pp. 4722-3.
- H.R. 5180, to amend the Civil Service Retirement Act, as amended, to provide annuities for surviving spouses without deduction from original annuities to Post Office and Civil Service Committee.
51. LANDS. S. 1204, by Sen. Carlson, directing the Secretary of the Interior to convey certain lands in the State of Kansas to the State of Kansas, Forestry, Fish, and Game Commission; to Interior and Insular Affairs Committee.
- H. R. 5159, by Rep. Aspinall, to authorize and direct that certain lands exclusively administered by the Secretary of the Interior be managed under principles of multiple use and to produce a sustained yield of products and services; to Interior and Insular Affairs Committee.
52. AREA REDEVELOPMENT. H. R. 5203, by Rep. Hawkins, to amend the Area Redevelopment Act to clarify the areas which may be designated as redevelopment areas; to Banking and Currency Committee.
- H. R. 5232, by Rep. Pepper, to amend certain provisions of the Area Redevelopment Act; to Banking and Currency Committee.
53. EDUCATION. S. 1222, by Sen. Boggs, to amend the Vocational Education Act of 1946 to expand and improve vocational education, with emphasis on the need for providing employment training for youth in a fast-changing economy; to Labor and Public Welfare Committee.
- H. R. 5193, by Rep. Frelinghuysen, to extend for one additional year the temporary provisions of Public Laws 815 and 874, 81st Congress, as amended; to Education and Labor Committee. Remarks of author p. 4661
54. PROPERTY. H. R. 5161, by Rep. Barry, to provide that surplus personal property of the United States may be donated to the States for the promotion of fish and wildlife management activities; to Government Operations Committee.
- H. R. 5163, by Rep. Barry, to amend section 203 of the Federal Property and Administrative Services Act of 1949 to authorize the donation of surplus property to volunteer lifesaving corps; to Government Operations Committee.
- H. R. 5221, by Rep. Marsh, to amend the Federal Property and Administrative Services Act of 1949 to permit donations of surplus property to volunteer firefighting organizations; to Government Operations Committee.
55. TAXATION. H. R. 5168, by Rep. Blatnik, to provide for the abatement of certain penalties and interest otherwise payable with respect to the highway use tax in the case of certain motor vehicles used primarily for hauling unprocessed farm and forest products from their place of production to market or mill; to Ways and Means Committee.
- H. R. 5169, by Rep. Blatnik, a bill to amend the Internal Revenue Code of 1954 to provide an exemption from the highway use tax in the case of certain trucks and other vehicles which are used primarily for hauling unprocessed farm and forest products from their place of production to market or mill; to Ways and Means Committee.

April 4, 1963

27. TRANSPORTATION. Rep. Ullman inserted an Ore. Legislature memorial requesting sufficient funds to widen the shipping locks at Bonneville Dam on the Columbia River. pp. 5502-3
28. PERSONNEL; TRAVEL. Both Houses received from the Civil Service Commission a proposed bill "to provide for the payment of travel cost for applicants invited by a department to visit it for purposes connected with employment"; to Government Operations Committees. pp. 5368, 5503
A Subcommittee of the Post Office and Civil Service Committee was appointed to consider H. R. 4837 and H. R. 4838, to provide for the payment of certain amounts and restoration of employment benefits to certain Government officers and employees improperly deprived thereof. p. D205
29. MINING. The Rules Committee formally reported resolutions for consideration of H. R. 3845, to amend the Lead-Zinc Small Producers Stabilization Act to allow only small producers to receive benefits under this Act, and H. R. 3120, to simplify the administration of this Act. p. 5504
30. PERSONNEL; SALARIES. The Post Office and Civil Service Committee reported with amendment H. R. 1159, to amend the Classification Act of 1949 to authorize the establishment of hazardous duty pay in certain cases (H. Rept. 189). p. 5504
31. PERSONNEL; HEALTH. The Post Office and Civil Service Committee reported without amendment the following bills: p. 5504
H. R. 1819 to provide additional choice of health benefits plans by Federal employees (H. Rept. 190);
H. R. 3517, to amend the Retired Federal Employees Health Benefits Act with respect to Government contribution for expenses incurred in the administration of such act (H. Rept. 191).
32. CENSUS. The Post Office and Civil Service Committee reported without amendment H. R. 3545, to provide for taking the economic censuses 1 year earlier starting in 1968 (H. Rept. 192). p. 5504
33. PERSONNEL; RETIREMENT. The Post Office and Civil Service Committee reported without amendment H. R. 3612, to define the term "child" for lump-sum payment purposes under the Civil Service Retirement Act (H. Rept. 193). p. 5504
34. LEGISLATIVE PROGRAM. Rep. Albert announced that next Tues., the 1963 supplemental appropriation bill will be called up; and on Wed and Thurs. H. R. 1762, outdoor recreation coordination program will be considered. pp. 5475-6
Also he announced that "at the close of business on Thurs. Apr. 11, it is planned to recess until the morning of Mon. Apr. 22" as an Easter Recess. p. 5476
35. ADJOURNED until Mon., Apr. 8. p. 5503

BILL APPROVED BY THE PRESIDENT

36. TRANSPORTATION. S. 1035, to extend for 1 year (to April 3, 1964) the period during which the Federal Maritime Commission is required by the provisions of Public Law 87-346 to approve, disapprove, cancel, or modify, existing dual rate contracts in the use in the waterborne foreign commerce of the United States. Approved April 3, 1963 (Public Law 88-5).

April 4, 1963

Istokpoga Marsh and Jumper Creek, Fla.; Held, Iowa; Callahan Creek, Mo.; Apache-Brazito-Mesquite, N. Mex.; Conetoe Creek, N. C.; Harmon Creek, Pa. and W. Va.; and Upper Little Minnesota River, S. Dak.; to Agriculture Committees. pp. 5367, 5503

Upper Rock Creek, Md.; and Buck Creek, Ky.; to Public Works Committees. pp. 5368, 5503

15. HOUSING. Both Houses received from the Housing and Home Finance Agency a proposed bill "to provide additional housing for the elderly"; to Banking and Currency Committees. pp. 5367, 5503
16. NOMINATION. Confirmed the nomination of W. Averell Harriman to be Under Secretary of State for Political Affairs. p. 5442
17. BUILDINGS. The "Daily Digest" states that the Public Works Committee approved authorizations of \$20,768,600 for 87 new small building projects to be financed by funds from the accelerated public works program, and approved authorizations for other new buildings and alterations of existing buildings. p. D203
18. LEGISLATIVE PROGRAM. Sen. Mansfield announced that debate on the wilderness preservation bill will begin next Mon., to be followed by consideration of the youth employment bill. pp. 5362-3
19. ADJOURNED until Mon., Apr. 8. p. 5441

HOUSE

20. APPROPRIATIONS. By a vote of 385 to 17, passed without amendment H. R. 5366, the Treasury and Post Office Departments, Executive Office of the President, and certain independent agencies appropriation bill for 1964. pp. 5444-75
The Appropriations Committee was granted permission to report the supplemental appropriation bill for 1963 during recess. p. 5475.
Reps. Sisk and Rosenthal objected to proposed budget cuts. pp. 5477-8
21. BUILDINGS. The Foreign Affairs Committee reported without amendment H. R. 5207, authorizing additional appropriations for foreign buildings including Agricultural Attache housing (H. Rept. 194). p. 5504
22. LUMBER. Rep. Sikes recommended against the Treasury Department's proposed change in the provision for timber taxation. pp. 5483-4
23. EXPENDITURES. Rep. Curtis urged establishment of a Congressional Joint Committee on the Budget and a Presidential Advisory Commission on Federal Expenditures. pp. 5498-9
24. WHEAT. Rep. Holifield urged approval of the new wheat program in the referendum. pp. 5502
25. OUTDOOR RECREATION. The Rules Committee reported a resolution for consideration of H. R. 1762, to promote the coordination and development of effective Federal and State programs relating to outdoor recreation. p. 5504
26. COTTON. The Agriculture Committee reported with amendments H. R. 5067, to extend the authority to transfer cotton allotments in disaster areas (H. Rept. 197). p. 5504

ADDITIONAL HEALTH BENEFIT PLANS

APRIL 4, 1963.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HENDERSON, from the Committee on Post Office and Civil Service, submitted the following

R E P O R T

[To accompany H.R. 1819]

The Committee on Post Office and Civil Service, to whom was referred the bill (H.R. 1819) to amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of H.R. 1819 is to correct an inequitable situation that has developed since enactment of the Federal Employees Health Benefits Act (Public Law 86-382) in 1959, and which was not and could not be foreseen at that time, with regard to participation by employee organizations in the program established by such act.

BACKGROUND

This legislation is similar to H.R. 10539 of the 87th Congress which was unanimously reported from this committee on August 29, 1962. The bill passed the House by unanimous consent on October 13, 1962, the last day of the session, but it was not taken up in the Senate.

STATEMENT

In establishing the Federal employees health benefits program, the Congress gave recognition to the fact that a number of employee organizations had already arranged group health insurance plans for their members in the absence of a Federal program. Specific provisions were made in the law for participation in the program by these organizations in order to avoid the hardships and inequities that might arise if their membership were to be drained off by a separate

Federal program. Among the requirements that had to be met by organizations' plans was a requirement that they had been in operation on July 1, 1959, and that they apply for approval as carriers before December 31, 1959.

The law, as written, served the purpose of affording protection to those employee organizations which already had health benefit plans and which were approved as carriers. There is no evidence that any of them have lost membership. However, subsequent developments have tended to impose undue hardships on those employee organizations which had no plans of their own or which may not have sought approval as carriers. There is evidence to the effect that these organizations are losing membership to the organizations which do have health benefit plans.

The committee received testimony from the national president of the National Association of Post Office Mail Handlers, Watchmen, Messengers, and Group Leaders that his organization has lost over 7,000 members since the law was enacted in 1959. He testified that these employees are being attracted into other employee organizations which are able to offer health benefit plans as recruitment incentives.

The Federal Employees Health Benefits Act was intended, as this committee's original report on the legislation indicates, to facilitate and strengthen the administration of the activities of the Government generally and to improve personnel administration in the Government. It was not intended to be a recruitment aid or incentive for employee organization membership campaigns. It was certainly not the intent of Congress to place any employee organization in an unfair position in relation to any other organization, as has come to be the case.

The remedy for this situation lies in the enactment of H.R. 1819. It will, in effect, open up the program for a short period of time to an otherwise qualified employee organization which may now wish to apply for approval as a carrier. It will eliminate the requirement that employee organization plans have been in operation on July 1, 1959, and it will permit any organization to apply for approval up to December 31, 1963.

This committee gave very careful consideration to this legislation, particularly in view of the unfavorable report which it received from the Civil Service Commission. The committee is, nevertheless, in unanimous agreement that, regardless of any other considerations, the enactment of this legislation is the only fair course that can be taken at this time to correct the unforeseen difficulty that has arisen.

The committee further emphasizes that this action is not to be a precedent for similar action in the future. The so-called open season will exist for only this one period of time specified in the bill and organizations desiring to apply for approval as carriers of health benefits plans will have only this one opportunity to do so.

COST

It is expected that enactment of this legislation will entail only a nominal increase in administrative expenses.

EXECUTIVE REPORTS

The reports of the U.S. Civil Service Commission and the Bureau of the Budget on H.R. 1819 follow:

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., March 18, 1963.

HON. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives.*

DEAR MR. CHAIRMAN: This is in further reply to your requests for Commission report on H.R. 1058, H.R. 1819, and H.R. 4342, identical bills (except for printing error in line 3 of H.R. 1058—"8" should be "2"), to amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes.

These bills would amend the act to eliminate the requirement that employee organization plans have been in operation on July 1, 1959, and would permit employee organizations to apply for approval as carriers during 1963.

The apparent purposes of the provisions proposed to be amended were three:

(1) To recognize the real contribution made by employee organizations in arranging group health insurance for their members in the absence of a Federal program, and to prevent the hardship to the organizations and their members, particularly insured former Federal employees and retired employees which would result if the greater part of the membership were drained off into a separate Federal program.

(2) To require at least a minimum of 1 year's experience in operating a health benefits plan.

(3) To restrict the number of employee organization plans to a number which would not unreasonably complicate administration of the program.

The proposed amendment would not advance the first item mentioned above and would defeat the other two.

The Commission has not observed any need for additional employee organization plans. At present each Federal employee is eligible to join at least four employee organizations having health benefits plans. When the service benefit plan, the indemnity benefit plan, and any comprehensive medical plan for which the employee is eligible are added, the choice is presently bewildering. Additional choices only serve to confuse, especially since all existing employee organization plans are variations on the indemnity benefit theme. Terms and rates differ, but the indemnity principle is the same. We would expect new employee organization plans to be similar in nature. There appears no reason, now that the Federal program is well underway, why an employee organization should feel a need for a new program for its present members.

It is apparent from the legislative history that Congress contemplated an indemnity benefit plan, a service benefit plan, half a dozen employee organization plans and a similar number of comprehensive plans, perhaps 15 in all. Under the original legislation we have approved twice that number, 12 of the existing 37 being employee organization plans. Under the proposed amendment any nationwide or agencywide employee organization could sponsor a health benefits plan if it applied by December 31, 1963, and could find an underwriter. In view of the successful operation of the Federal employees

health benefits program since July 1, 1960, we would expect that underwriters can readily be found. Each carrier added to the group adds to the duties of the Commission, and of employing agencies, which also have functions under the program, inexorably followed by increases in staff and expense of administration generally. Since we do not have any information on the number of employee organizations which might qualify, we can only speculate as to the amount of the increase.

The costs of the Commission's administration of the Federal program go into the enrollment charge by virtue of the act's provision for accrual to reserves for administrative expenses of not more than 1 percent. Thus every additional administrative expense goes to raise the cost of administration for each employee as well as for the Government. The Commission prefers to see the Government's money and the employees' money used for health benefits, rather than for administration. Consequently we are compelled to object to a proposal which increases administrative costs with no real benefit to employees.

The elimination of the requirement of experience appears particularly undesirable. We have found that operation of any plan improves with experience. The first year of operation, particularly, is a learning process. Even if an experienced underwriter is selected, there are many problems which must necessarily be worked out during the first year of actual operation. This further complicates the operation of the Federal program, and if not successful, can result in employee dissatisfaction.

In addition, we may expect that any deadline set for application for approval will eliminate some existing or to be formed employee organizations from consideration. We can logically expect, therefore, that if either bill is enacted, there will later be requests for further extension of the time to apply, since the sponsorship of a health benefits plan seems to be a desirable adjunct to a membership drive.

For the reasons stated, the Commission opposes the enactment of H.R. 1058, H.R. 1819, or H.R. 4342.

The Bureau of the Budget advises that from the standpoint of the administration's program there is no objection to the submission of this report.

By direction of the Commission.

Sincerely yours,

JOHN W. MACY, Jr., *Chairman.*

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 13, 1963.

Hon. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: Reference is made to the committee's requests for the views of the Bureau of the Budget respecting H.R. 1058, H.R. 1819, and H.R. 4342, identical bills to amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes.

The purpose of the bills is to permit new employee organization health benefits plans to be established and to qualify under the Federal Employees Health Benefits Act of 1959.

In a report which the Chairman of the Civil Service Commission is submitting to your committee on these bills, opposing their enactment, he states that the Commission has observed no need for additional employee organization plans, and that such proposals increase administrative costs with no real benefit to employees. Each new carrier adds to the duties and administrative complexity of the program both for the Commission and the employing agencies, with consequent increases in staff and expense.

Accordingly, for the reasons stated in the report of the Civil Service Commission, with which we concur, the Bureau of the Budget strongly recommends that the committee not give favorable consideration to these subject bills.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

FEDERAL EMPLOYEES HEALTH BENEFITS ACT OF 1959

* * * * *

DEFINITIONS

Sec. 2. As used in this Act—

* * * * *

(i) "Employee organization" means an association or other organization of employees which—

(1) is national in scope or

(2) in which membership is open to all employees of a Government department, agency, or independent establishment who are eligible to enroll in a health benefits plan under this Act, and which on or before December 31, **[1959]** 1963, applies to the Commission for approval of a plan provided for by section 4(3) of this Act.

* * * * *

HEALTH BENEFITS PLANS

SEC. 4. The Commission may contract for or approve the following health benefits plans:

* * * * *

(3) EMPLOYEE ORGANIZATION PLANS.—Employee organization plans which offer benefits of the types referred to in section 5(3), which are

sponsored or underwritten, and are administered, in whole or substantial part, by employee organizations, which are available only to persons (and members of their families) who at the time of enrollment are members of the organization【, and which on July 1, 1959, provided health benefits to members of the organization】.

○

H. R. 1819

[Report No. 190]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 14, 1963

Mr. OLSEN of Montana introduced the following bill; which was referred to the Committee on Post Office and Civil Service

APRIL 4, 1963

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) section 2 (i) of the Federal Employees Health
4 Benefits Act of 1959 (73 Stat. 710; 5 U.S.C. 3001 (i)) is
5 amended by striking out "1959" and inserting in lieu thereof
6 "1963".

7 (b) Section 4 (3) of such Act (73 Stat. 711; 5 U.S.C.
8 3003 (3)) is amended by striking out " , and which on July
9 1, 1959, provided health benefits to members of the
10 organization".

88TH CONGRESS
1ST Session

H. R. 1819

[Report No. 190]

A BILL

To amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes.

By Mr. Orsen of Montana

JANUARY 14, 1963

Referred to the Committee on Post Office and Civil Service

APRIL 4, 1963

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

April 22, 1963

countless publications of the Government, must be tremendous..." p. A2336

28. FOREIGN TRADE. Extension of remarks of Rep. Alger criticizing the Trade Expansion Act of 1962. p. A2357
29. FEED GRAINS. Extension of remarks of Rep. Findley inserting his letter to this Department asking for an explanation as to "why taxpayers are paying more but getting less results in the feed grains program this year, compared with 1962." pp. A2360-1
30. FARM LOANS. Extension of remarks of Rep. Hechler inserting Larry Brock's, assistant administrator of the Farmers Home Administration, address outlining some of the "great progress" made in West Virginia through the efforts of the FHA. pp. A2365-6

HOUSE (continued)

31. PERSONNEL. Passed without amendment H. R. 3612, to define the term "child" as including an adopted and natural child, but not including a stepchild, for lump-sum payment purposes under the Civil Service Retirement Act. p. 6244
- Passed as reported H. R. 1159, to authorize the Civil Service Commission to establish a schedule of pay differentials for Classification Act employees for irregular or intermittent duty involving unusual physical hardship or hazard. p. 6244

Passed over without prejudice H. R. 1819, to provide additional choice of health benefits plans under the Federal Employees Health Benefits Act, and H. R. 3517, to amend the Retired Federal Employees Health Benefits Act with respect to Government contribution for expenses incurred in the administration of such act. p. 6244

32. NATIONAL PARKS. Passed as reported H. J. Res. 180, to authorize the continued use of use of certain lands within the Sequoia National Park for an existing hydroelectric project. p. 6243

BILLS INTRODUCED

33. TAXATION. H. R. 5707, by Rep. Barry, to amend the Internal Revenue Code of 1954 to provide that annuities under the Civil Service Retirement Act shall not be subject to the income tax; to Ways and Means Committee.
- H. R. 5720, by Rep. Halpern, to provide for an averaging taxable income; to Ways and Means Committee.
34. SERVICE CORPS. H. R. 5731, by Rep. Rodino, and H. R. 5736, by Rep. Farbstein, to provide for a National Service Corps to strengthen community service programs in the United States; to Education and Labor Committee
35. FOOD STAMP. H. R. 5733, by Rep. Sullivan, to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a program of food assistance to be operated through normal channels of trade; to Agriculture Committee. Remarks of author, pp. 6281-93
36. FORESTS. H. R. 5738, by Rep. Gray, to provide a different basis for determining the amount of money to be made available to the State of Illinois because of the location of national forest lands within such State; to Agriculture Committee.

tions, while there are no decreases, they are about the same as heretofore. I would say by and large there is a slight increase in bankruptcies.

Mr. GROSS. With 2 years of the New Frontier, we do have an increase in bankruptcies?

Mr. CELLER. I think that is a moot question. I do not think I can say about that.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 28 of the United States Code, is amended by inserting in chapter 131 thereof immediately following section 2074 of that chapter a new section reading as follows:

"§ 2075. Bankruptcy rules

"The Supreme Court shall have the power to prescribe by general rules, the forms of process, writs, pleadings, and motions, and the practice and procedure under the Bankruptcy Act.

"Such rules shall not abridge, enlarge, or modify any substantive right.

"Such rules shall not take effect until they have been reported to Congress by the Chief Justice at or after the beginning of a regular session thereof but not later than the first day of May and until the expiration of ninety days after they have been thus reported.

"All laws in conflict with such rules shall be of no further force or effect after such rules have taken effect."

Sec. 2. The analysis of chapter 131 of title 28 of the United States Code, immediately preceding section 2071 of that chapter, is amended by inserting therein immediately after item 2074 thereof a new item reading as follows:

"2075. Bankruptcy rules."

Sec. 3. Section 30 of the Bankruptcy Act is repealed but its repeal shall not operate to invalidate or repeal rules, forms, or orders prescribed under the authority of that section by the Supreme Court prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

USE OF LANDS WITHIN THE SEQUOIA NATIONAL PARK

The Clerk called the joint resolution (H.J. Res. 180) to authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project.

There being no objection, the Clerk read the joint resolution as follows:

Whereas portions of the Kaweah number 3 plant of Southern California Edison Company consisting of diversion works, water conduits, and related facilities were constructed and are being operated and maintained on the Middle and Marble Forks of the Kaweah River near the southwesterly boundary of Sequoia National Park under a permit dated March 5, 1912, granted by the Secretary of the Interior pursuant to the Act of Congress dated February 15, 1901 (31 Stat. 790); and

Whereas said permit expires on March 5, 1962; and

Whereas the power and energy generated by the Kaweah number 3 plant is used to serve the public including use in connection with the administration and enjoyment of the park; and

Whereas Southern California Edison Company has made application to the Secretary of the Interior to renew such permit to occupy and use said lands which are necessary for the continued operation of its Kaweah number 3 plant; and

Whereas the continued operation and maintenance of said facilities within Sequoia National Park upon such terms and conditions as the Secretary of the Interior shall deem necessary for the protection and utilization of the park is in the public interest: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized to issue a permit to occupy and use lands of the United States within Sequoia National Park necessary for the continued operation, maintenance, and use of the hydroelectric project known as the Kaweah number 3 project of Southern California Edison Company.

Sec. 2. The term of such permit shall expire not later than August 6, 1974, and the permit shall contain such other terms and conditions as the Secretary of the Interior shall deem necessary for the protection and utilization of Sequoia National Park.

Sec. 3. Such permit shall specifically recite that the privileges granted thereby are to be exercised in accordance with the rules and regulations of the Federal Power Commission which are determined by the Secretary of the Interior to be applicable.

With the following committee amendments:

Page 2, line 14, through page 3, line 4, strike out all of section 3 and insert in lieu thereof the following language:

Sec. 3. Such permit shall specifically recite that the privileges granted thereby are to be exercised in accordance with the Federal Power Act (16 U.S.C. 791(a)-825(r)) and the rules and regulations thereunder which the Secretary of the Interior, after consultation with the Federal Power Commission, determines to be applicable.

Strike out all of the preamble.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CUDDEBACK LAKE AIR FORCE RANGE, CALIF.

The Clerk called the bill (H.R. 3574) to provide for the withdrawal and reservation for the use of the Department of the Air Force of certain public lands of the United States at Cuddeback Lake Air Force Range, Calif., for defense purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subject to valid existing rights, the public lands, and the minerals therein, within the areas described in section 2 of this Act are hereby withdrawn from all appropriations and other forms of disposition under the public land laws, including the mining and mineral leasing laws and disposals of materials under the Act of July 31, 1947, as amended (61 Stat. 681; 30 U.S.C. 601-604), except as provided in subsection (b) of this section, and reserved for the use of the Department of the Air Force for a period of ten years with an option to renew the withdrawal and reservation for a period of five years upon notice to the Secretary of the

Interior, and subject to the condition that the reservation may be terminated at any time during either of such periods by the Secretary of the Air Force upon notice to the Secretary of the Interior.

(b) The Secretary of the Interior may, with the concurrence of the Secretary of the Air Force, authorize use or disposition of any of the lands or resources withdrawn and reserved by subsection (a) of this section.

(c) Upon request of the Secretary of the Interior at the time of final termination of the reservation effected by this Act, the Department of the Air Force shall make safe for nonmilitary uses the land withdrawn and reserved or such portions thereof as may be specified by the Secretary of the Interior, by neutralizing unexploded ammunition, bombs, artillery projectiles, or other explosive objects and chemical agents. Thereafter the Secretary of the Interior pursuant to law shall provide for the appropriate use or disposition of all or any part of the land withdrawn and reserved under provisions of this Act. Nothing in this subsection, however, shall be construed to prevent the Secretary of the Air Force at that time from making application for further withdrawal and reservation of all or part of said lands under laws and regulations then existing.

Sec. 2. The lands withdrawn and reserved by this Act are those that are now or may hereafter become subject to the public land laws within the area described as follows:

Approximately 7,546 acres, more or less, within the Cuddeback Lake Air Force Range, San Bernardino County, California, and more fully described as follows: Sections 5, 6, 7, 8, 17, 18, 19, 20, 29, 30, 31 (except the south half of lot 2 in the southwest quarter of section 31), and 32, township 30 south, range 43 east, Mount Diablo Meridian, San Bernardino County, California, a total of 7,546 acres, more or less.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

CLAY COUNTY HOSPITAL, BRAZIL, IND.

The Clerk called the bill (H.R. 2364) for the relief of the Clay County Hospital, Brazil, Ind.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Clay County Hospital, of Brazil, Indiana, the sum of \$7,057.50. The payment of such sum shall be in full settlement of all the claims of the Clay County Hospital against the United States for payment of civil defense matching funds for an emergency generator for an addition to such hospital which payment was not made in the fiscal year ending June 30, 1960, because funds were not available for such purpose, and cannot now be made because of regulations which prohibit the retroactive payment of such funds: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

HAZARDOUS DUTY PAY

The Clerk called the bill (H.R. 1159) to amend the Classification Act of 1959 to authorize the establishment of hazardous duty pay in certain cases.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title VIII of the Classification Act of 1949, as amended (5 U.S.C. 1131-1133), is amended by adding at the end thereof the following:

"Sec. 804. The Commission shall establish a schedule or schedules of pay differentials for irregular or intermittent duty involving unusual physical hardship or hazard. The appropriate differential shall be paid to any officer or employee to whom this Act applies for any period in which such officer or employee is subjected to physical hardship or hazard not usually involved in carrying out the duties of his position. Such pay differential—

"(1) shall not be applicable with respect to any officer or employee in any position the classification of which takes into account the degree of physical hardship or hazard involved in the performance of the duties thereof;

"(2) shall not exceed an amount equal to 25 per centum of the rate of basic compensation applicable with respect to such officer or employee; and

"(3) shall be paid under regulations which shall be prescribed by the Commission."

SEC. 2. The amendment made by the first section of this Act shall become effective on the first day of the first pay period which begins more than 90 days after the date of enactment of this Act.

With the following committee amendment:

Page 2, line 15, strike out "ninety" and insert "one hundred and eighty" in lieu thereof.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ADDITIONAL HEALTH BENEFIT PLANS

The Clerk called the bill (H.R. 1819) to amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes.

Mr. FORD. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. Ford]?

There was no objection.

ADMINISTRATIVE EXPENSES OF RETIRED EMPLOYEES HEALTH BENEFITS

The Clerk called the bill (H.R. 3517) to amend the Retired Federal Employees Health Benefits Act with respect to Gov-

ernment contribution for expenses incurred in the administration of such act.

Mr. FORD. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. Ford]?

There was no objection.

ACCELERATION OF DATE FOR TAKING ECONOMIC CENSUSES

The Clerk called the bill (H.R. 3545) to amend section 131 of title 13, United States Code, so as to provide for taking of the economic censuses 1 year earlier starting in 1968.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 131 of title 13, United States Code, is amended to read as follows:

"§ 131. Collection and publication; five-year periods

"The Secretary shall take, compile, and publish censuses of manufactures, of mineral industries, and of other businesses, including the distributive trades, service establishments, and transportation (exclusive of means of transportation for which statistics are required by law to be filed with, and are compiled and published by, a designated regulatory body), in the year 1964, then in the year 1968, and every fifth year thereafter, and each such census shall relate to the year immediately preceding the taking thereof."

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

DEFINITION OF THE TERM "CHILD" UNDER RETIREMENT ACT

The Clerk called the bill (H.R. 3612) to define the term "child" for lump-sum payment purposes under the Civil Service Retirement Act.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1(j) of the Civil Service Retirement Act (5 U.S.C. 2251(j)) is amended by adding at the end thereof the following sentence: "The term 'child', for purposes of section 11, shall include an adopted child and a natural child, but shall not include a stepchild."

SEC. 2. The provisions under the heading "Civil Service Retirement and Disability Fund" in title I of the Independent Offices Appropriation Act, 1959 (72 Stat. 1064; Public Law 85-844), shall not apply with respect to benefits resulting from the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Consent Calendar.

PRIVATE CALENDAR

The SPEAKER. Under the previous order of the House, this is the day set for the call of the Private Calendar. The

Clerk will call the first individual bill on the Private Calendar.

COL. FRANK D. SCHWIKERT, USAF

The Clerk called the bill (H.R. 3623) for the relief of Col. Frank D. Schwikert, U.S. Air Force.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury, not otherwise appropriated, to Colonel Frank D. Schwikert, 6311A, United States Air Force, Andrews Air Force Base, Maryland, the sum of \$3,539.22 in full satisfaction of his claim against the United States for reimbursement in addition to the amount he received under section 2732 of title 10, United States Code, for household goods and personal effects destroyed as a result of a fire on April 19, 1962, at the Perry Moving and Storage, Incorporated, Seattle, Washington, while the property was stored in a warehouse under a Government contract: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MAJ. LEONARD H. POTTERBAUM, U.S. AIR FORCE

The Clerk called the bill (H.R. 3625) for the relief of Maj. Leonard H. Potterbaum, U.S. Air Force.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Major Leonard H. Potterbaum, 35382A, United States Air Force, Box 7235, Area B, Aerospace Systems Division, Wright-Patterson Air Force Base, Ohio, the sum of \$5,777.93 in full satisfaction of his claim against the United States for reimbursement in addition to the amount he received under section 2732 of title 10, United States Code, for household goods and personal effects destroyed as a result of a fire on December 4, 1956, at the National Movers Company, Incorporated, East Rutherford, New Jersey, while the property was stored in a warehouse under a Government contract: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

14. PACKERS AND STOCKYARDS. The Agriculture Committee voted to report (but did not actually report) H. R. 5860, to amend the Packers and Stockyards Act so as to provide that the authority of the Secretary shall not apply to deductions from the sales proceeds for the purpose of financing promotion or research activities relating to livestock, meats, and other products covered by the Act. p. D292
15. WATERSHEDS. The "Daily Digest" states that the Agriculture Committee "approved four watershed projects." p. D292
16. EDUCATION. The "Daily Digest" states that the Special Subcommittee on Education of the Education and Labor Committee met in executive session regarding higher education and "Ordered a clean bill (H. R. 4797) introduced in the House." p. D292
17. PEANUTS. Debated under a motion to suspend the rules and pass H. R. 101, to extend for two additional years (through 1965) the exemption of green peanuts used for boiling from acreage allotments and quotas. After objections were raised, unanimous consent was granted, at the request of Rep. Albert, that the motion to suspend the rules and pass the bill be withdrawn. pp. 7368-9
18. FEED GRAINS. Rep. Findlay charged that Secretary Freeman "has used unrelated and inaccurate statistics" in support of feed-grain legislation, and urged the Senate Agriculture and Forestry Committee "to get the facts straight before giving the feed grains program a new 2-year lease on life." p. 7358
19. SUGAR. Rep. Vanik criticized the increase in the price of sugar and suggested that the Government "take prompt action to stifle profiteering by suspending the U. S. duty on sugar." p. 7358
20. FORESTRY. Passed with amendment S. 138, to redesignate and revise the boundaries of the Big Hole Battlefield National Monument, Mont., including the transfer of 160 acres of land from the Beaverhead National Forest to the Monument, after substituting the language of a similar bill, H. R. 3200, which was passed earlier in the day. H. R. 3200 was tabled. pp. 7364-5
21. PUBLIC DEBT. The "Daily Digest" states that the Ways and Means Committee reported H. R. 6009, to provide for temporary increases in the public debt limit (H. Rept. 277). p. D291
22. PERSONNEL. Rep. Olsen (Mont.) inserted the proceedings of the founding conference of the Federal Professional Association which organizes and aids professional employees in appearing before the Congress and the administrative departments of the Government concerning Federal career-service matters. pp. 7374-7
23. FOREIGN AGRICULTURE. Rep. Fuqua criticized the U. N. Special Funds project to aid Communist Cuba with an agricultural program. pp. 7377-8
24. VOCATIONAL EDUCATION. Rep. Fogarty urged passage of his bill H. R. 4027, the proposed Vocational Rehabilitation Amendments of 1963, which he stated provides more time for determining rehabilitation potential. p. 7386
25. FOREIGN TRADE. Rep. Reuss criticized "the Kennedy round-of-trade negotiations" with the Common Market and proposed eliminating the most-favored-nation treatment and forming a free trade area as a better strategy for producing "a reasonable attitude on the part of the Common Market." pp. 7386-9

26. FARM PROGRAM. Rep. Snyder inserted an article criticizing the ruling of ASCS against a wheat farmer assessed penalties for violations of planting allotments. pp. 7391-2
27. MANPOWER DEVELOPMENT. Rep. Curtis inserted a series of articles on the training and retraining of workers in the New England States under the Manpower Development and Training Act. pp. 7392-7
28. LANDS. Passed as reported H. R. 2073, to place certain submerged lands within the jurisdiction of Guam, the Virgin Islands, and American Samoa. pp. 7359-60
29. PERSONNEL. Passed over without prejudice H. R. 1819, to amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of benefits plans, and H. R. 3517, to amend the Retired Federal Employees Health Benefits Act with respect to Government contribution for expenses incurred in the administration of the Act. p. 7358

ITEMS IN APPENDIX

30. FORESTRY. Extension of remarks of Rep. Fuqua commending forestry as a basic industry of this Nation and inserting articles and resolutions commenting on the Forestry Day program sponsored by the Seaboard Air Line Railroad. pp. A2743-5
31. HEALTH. Extension of remarks of Rep. Fogarty inserting an article, "Environmental Health Has Its Problems, Too." p. A2751
32. PUBLIC WORKS. Extension of remarks of Rep. Kilburn suggesting "political use" of accelerated public works funds and inserting an article on this subject. pp. A2753-4
33. FEED GRAINS. Extension of remarks of Rep. Hoeven inserting an article, "Wheat Farmers Coaxed With 'Sweetened' Bill." p. A2763
Extension of remarks of Rep. Rosenthal expressing support for passage of the feed grains bill. p. A2790
34. LOBBYING; PERSONNEL. Extension of remarks of Rep. Hall criticizing a remark by one of the congressional liaison officers of HEW, ("I am really just a lobbyist" and stating that if other liaison officers hold such views "they should be dismissed." p. A2764
35. YOUTH CORPS. Extension of remarks of Rep. Brotzman inserting an article, "Youth Corps Is Not the Realistic Solution." p. A2771
36. WHEAT. Extension of remarks of Rep. Hoeven stating that "I have contended for a long time that Secretary of Agriculture Freeman has been using undue influence in trying to get a favorable vote in the wheat referendum to be held on May 21, 1963," and inserting an article. pp. A2771-2
37. SUGAR. Extension of remarks of Rep. Latta inserting an article, "Users Not So Sweet--Kennedy Blamed for Sugar Price." pp. A2778-9
38. TRANSPORTATION. Extension of remarks of Rep. Dorn inserting a S. C. General Assembly resolution urging that consideration be given to legislation now pending to exempt certain carriers from minimum rate regulation in the transportation of bulk commodities. pp. A2790-1

cussion and how much he has achieved as a political realist.

Congress after Congress MANNY has been reelected by increasing majorities and there are few, indeed, who can equal his record in the ability to receive among the highest plurality election returns for membership in the House.

I am happy to join my colleagues in wishing him well and in expressing the hope that he will be with us for many, many years to come for there is no doubt that we appreciate him in the same fashion as his constituents do—for his integrity, his intelligence and his humanitarianism.

Mr. McCORMACK. Mr. Speaker, Congressman EMANUEL CELLER is a great American, an outstanding legislator, honorable and trustworthy in every respect. On this, his birthday anniversary, I extend to him my hearty congratulations and my very best wishes for countless of similar anniversaries.

Mr. CHENOWETH. Mr. Speaker, I wish to join in wishing our distinguished colleague from New York [Mr. CELLER] a happy birthday. I have greatly enjoyed our friendship over the years. It gives me great pleasure to extend my personal greetings and best wishes on this happy occasion. I wish him many more of these anniversaries, and much happiness for many years to come.

Mr. TOLL. Mr. Speaker, I would like to join the other Members in recognition of the birthday of the distinguished chairman of the House Judiciary Committee, the Honorable EMANUEL CELLER. I have the good fortune to be a member of the House Judiciary Committee and also a member of Subcommittee No. 5 which is the so-called blue ribbon Celler subcommittee. For the past 5 years I served on this subcommittee and had a chance to work closely with the distinguished chairman and observe his manner, attitude, philosophy, patience, and temperament. I can honestly say, Mr. Speaker, that he is the most remarkable chairman under whom I have served in two legislative bodies in the past 13 years. He is very able, very persistent, very tolerant, very learned and is undoubtedly one of the best legislators that I have ever met.

I believe that he has contributed considerably to the high reputation which the House Judiciary Committee enjoys. His fairness to all members, his consideration of all positions, his calmness and diplomacy make him well respected and admired by all members of the committee, the House of Representatives, the Congress of the United States and the people of our country.

I salute the chairman on his 75th birthday and I hope that he enjoys many more birthdays as a Member of the Congress of the United States.

Mr. LIBONATI. Mr. Speaker, the "Legal Sage" of Brooklyn, our colleague EMANUEL CELLER, has reached his 75th birthday. We greet the distinguished chairman of the Judiciary Committee with admiration and respect. As an authority in legalistic doctrines, he has been the sponsor of hundreds of laws throughout his 19 terms in the Congress of the United States, 1923-64. He per-

sonifies in character and intellectual attainment the true advocate. He is practical in his approach to legal problems and thoroughly prepared to sustain his legalistic concepts with facts sustaining his analysis of each principle involved. MANNY CELLER is loved and respected by the members of his committee. He is understanding and considerate of other people's feelings and attitudes in debate, but in his analytical mental determination he is cold in his reasoning and direct in his attack. MANNY is a true and loyal friend.

In the history of the Congress the measure of his work will undoubtedly reflect the high purposes of his legislation in all fields and the importance of these laws to insure a free society as well as a free economy.

May God bless him and his family for many years to come to so continue his great work dedicated to the people of a grateful Republic.

Mr. MULTER. Mr. Speaker, since 1922 this House has been graced with the presence of our dear friend and colleague, the distinguished chairman of the Judiciary Committee, the Honorable EMANUEL CELLER. Today it is my distinct pleasure to join with our colleagues in honoring a man who has served with and guided us for so many fruitful years of service.

MANNY CELLER has actively participated in public life since the First World War; he has been chairman of our Judiciary Committee continuously since 1949 with the exception of the 83d Congress when the other party won control of the House; he has served with distinction as the chairman of that committee and much of the enlightened legislation adopted in the last decade is attributable to his leadership.

All of Brooklyn, as well as the city and State of New York, have gloried in the honor he has brought to us in serving his city, State, and Nation in every worthwhile activity. He is truly a great scholar and a fine gentleman.

Today is his 75th birthday. I am happy to extend to him the traditional Hebrew wish that he be with us "until 120."

Mr. FARBSTAIN. Mr. Speaker, today is the 75th birthday of the venerable, vigorous and astute chairman of the Judiciary Committee of the House of Representatives. It gives me great pleasure and satisfaction to be able to join with my colleagues in saluting him.

His life is truly a Horatio Alger story. Born in poverty yet by dint of his personal drive and ambition, he rose to become one of the most knowledgeable and respected Members of Congress.

It is my fond hope that this House shall be graced for many years with his presence and that we may have the benefit of his advice, of his experience, his knowledge, and his intelligence to help guide us in directing the affairs of this Nation.

I know of no one who is more representative of those ideals which constitute a true American.

It has indeed been a privilege to have served with him in this august body.

I wish him and his family continued happiness and long life.

ADDITIONAL 2,000 MILES OF INTERSTATE AND DEFENSE HIGHWAYS

(Mr. PERKINS asked and was given permission to extend his remarks at this point.)

Mr. PERKINS. Mr. Speaker, I have today introduced legislation which would authorize the designation of an additional 2,000 miles for the National System of Interstate and Defense Highways. This increased mileage would be located in those areas designated as redevelopment areas by the Secretary of Commerce under section 5 of the Area Redevelopment Act.

The benefits of my bill would be twofold. First, the construction of this additional mileage on projects of the magnitude of Interstate System highway would immediately help those areas suffering from chronic unemployment, and second, many economic and other permanent benefits would result from these highway transportation improvements.

I am convinced that a major factor in causing an area to be economically depressed is inaccessibility in the case of rural areas, and inefficient existing highway systems in the case of urban areas. A pleasant and trouble-free route of travel is essential to the tourist business, and transportation costs are major elements to be considered by a manufacturer or merchant seeking a suitable location for his plant.

This bill, of course, could benefit the Allegheny Highlands area, which is particularly deserving of special attention. However, the application of this bill would be fully nationwide in scope, and would assist every part of the country wherein economic recovery is being hindered by the lack of a first rate highway system.

CRIME IN WASHINGTON

(Mr. BECKER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. BECKER. Mr. Speaker, a week ago I called the attention of the Members of the House to the fact that there seems to be a blackout on crime news in the newspapers of the District of Columbia. I know that Members have been reading the news avidly and agree with me now that there seems to be a complete blackout with respect to crime in the District of Columbia.

I know there is crime going on and so do you know it. I am informed by an official source, since I made that statement, that crime statistics in the District for the month of April are going to show a decrease. I am sure we will all be happy to hear that. But I am wondering if the decrease ought to be predicated on the enforcement of a rule that went into effect against investigative arrests in the District of Columbia, and whether it is going to be a statistical decrease in crime caused by the fact that the police are prevented from doing the job they are capable of doing.

I would hope, Mr. Speaker, that crime is decreasing, but it is unfortunate for the thousands of visitors who come to Washington and feel they can walk

the streets freely and go about their business, as they rightfully should, without any warning as to what is transpiring here in the District.

I have asked the Committee on the District of Columbia to investigate what is causing this complete blackout of the news respecting crime in the District of Columbia, and I would hope we will get some information on that subject.

SECRETARY FREEMAN NOT RELIABLE SOURCE OF INFORMATION

(Mr. FINDLEY asked and was given permission to address the House for 1 minute).

Mr. FINDLEY. Mr. Speaker, today I urged the Senate Committee on Agriculture and Forestry to get the facts straight before giving the feed grains program a new 2-year lease on life. My experience indicates that Agriculture Secretary Orville L. Freeman is not a reliable source of information. I therefore urged the committee to get professional witnesses from the U.S. Department of Agriculture to clarify what the taxpayers got for their money under the 1961, 1962, and 1963 programs.

Mr. Freeman has used unrelated and inaccurate statistics. He has repeatedly exaggerated stockpile reductions and has used phony and misleading guesswork to create the illusion that the feed grain programs have cut tax costs and improved farm income. Actually, costs go up and results go down. The financial plight of the farmer is worse than when the program began.

This year we are spending about \$140 million more than last year, but getting 3 million acres less land retired.

In 3 years we have spent about \$3 billion. Despite this outlay, feed grain production this year will nearly equal the base years before the programs began.

Congress has the responsibility to taxpayers to come up with a less expensive program.

CORRECTION OF RECORD

Mr. ADAIR. Mr. Speaker, I ask unanimous consent that the permanent RECORD be corrected as follows. On page 7075 in my remarks, there appears the following sentence:

There is a constant record kept, but because it is one that never fluctuates, we did not think it worthwhile to put in the hearings or in the report.

This should be corrected to read as follows:

There is a record kept, but because it is one that constantly fluctuates, we did not think it worthwhile to put it in the report.

Also on page 7076, there appears the following sentence:

There is also the fact that in some countries this is the only way we can get needed office and office accommodations for our American personnel.

It should read as follows:

There is also the fact that in some countries this is the only way we can get needed office and residential accommodations for our American personnel.

The SPEAKER. Is there objection to

the request of the gentleman from Indiana?

There was no objection.

THE INCREASE IN THE PRICE OF SUGAR

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, although the Department of Agriculture reports that the U.S. wholesalers, retailers, and industrial users have taken a healthy hedge against increasing prices in sugar by buying and stockpiling since late 1962, they have not permitted the benefits of their prudence to "trickle down" to the American consumer. As a matter of fact, they have joined to participate in "bilking" the American sugar consumer.

At local retail outlets, the price of a 5-pound bag of granulated sugar has jumped from 55 cents to 66 cents within the last 10 days—a price increase of 20 percent. When this 20 percent increase is tagged onto every spoonful of sugar consumed every day by 180 million Americans, the conclusion is that some one is getting loaded on sweet profits.

There is absolutely no need for the consumer to pay a 2- to 3-cent-a-pound tribute to the sugar overlords. Under the sugar bill passed by Congress, the fancy prices are effectively pegged by the quota system. If the beneficiaries of the sugar-rigging law betray their trust to the American people by putting artificial upward pressure on prices, our Government should take prompt action to stifle profiteering by suspending the U.S. duty on sugar and making it possible for the American consumer to purchase sugar at lower world prices.

When the price of sugar leaps 20 percent within 10 days, the consumer's "peril point" has been reached and the Government should suspend its protection of the sugar "Shylocks" who are endeavoring to manipulate lush profits into their pockets.

CORRECTION OF ROLL CALL

Mr. RYAN of New York. Mr. Speaker, it has just come to my attention that on Roll call No. 28 on April 25, I am listed as not being present. I was present and answered to my name. I ask unanimous consent that the permanent RECORD and JOURNAL be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent, on behalf of the gentleman from Texas [Mr. PATMAN], that the Committee on Banking and Currency may have until midnight tonight, May 6, to file a report on the bill H.R. 4996.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

ADDITIONAL PAY FOR DIRECTORS AT VETERANS' ADMINISTRATION INSTALLATIONS

The Clerk called the bill (H.R. 228) to amend section 4111 of title 38, United States Code, with respect to the salary of directors and chiefs of staff of Veterans' Administration hospitals, domiciliaries, and centers.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ADDITIONAL HEALTH BENEFIT PLANS

The Clerk called the bill (H.R. 1819) to amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes.

Mr. McFALL. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXPENSES OF RETIRED EMPLOYEES HEALTH BENEFITS

The Clerk called the bill (H.R. 3517) to amend the Retired Federal Employees Health Benefits Act with respect to Government contribution for expenses incurred in the administration of such act.

Mr. PELLY. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

COMPENSATION FOR USE OF KWAJALEIN AND DALAP ISLANDS

The Clerk called the bill (H.R. 2072) to assure payment of just compensation for the use and occupancy of certain lands on Kwajalein and Dalap Islands, Trust Territory of the Pacific Islands, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HARSHA. Mr. Speaker, reserving the right to object, I would like to make inquiry of a member of the committee regarding this bill. As I understand it, Mr. ASPINALL is the author of the bill. Could the gentleman tell me whether or not there is any possibility that these claims will exceed the \$1 million prohibition under our rules? I notice the report says it will amount to at least \$600,000, but these are not all of the claims that are possible for presentation.

HOUSE

May 20, 1963

15. **PACKERS AND STOCKYARDS.** Passed without amendment H. R. 5860, to amend the Packers and Stockyards Act so as to provide that the authority of the Secretary shall not apply to deductions from the sales proceeds for financing promotion or research activities relating to livestock, meats, and other products covered by the Act. Rejected an amendment by Rep. Dingell to require that such deductions be made only upon the seller's authorization. pp. 8431-3
16. **COTTON.** Rep. Jones (Mo.) criticized the "inequities" which "have developed in the distribution of cotton acreage allotment between individual farms." p.8437
17. **WHEAT.** Rep. Watson criticized the "governmental pressures being brought...for a favorable vote on the referendum on wheat". p. 8428
Rep. Findley urged a large vote in the wheat referendum. p. 8429
18. **SOIL CONSERVATION.** Reps. Legget and McIntire complimented the work of the soil conservation districts as the sponsors of Soil Stewardship Week. pp. 8437-8
Rep. Jensen complimented the work of Hugh Bennett as the father of the Soil Conservation Service. p. 8429
19. **LAND-USE ADJUSTMENT.** Received from this Department a proposed bill "to remove the \$10 million limitation on programs carried out under section 16(e)(7) of the Soil Conservation and Domestic Allotment Act for 1964 and subsequent calendar years"; to Agriculture Committee. p. 8474
20. **FARM PROGRAM.** Rep. Thompson (N.J.) explained a Birch society's stand toward Federal farm programs and TVA. pp. 8455-7
21. **PERSONNEL.** The Education and Labor Committee reported without amendment H. R. 6041, to include fringe benefits in computation of wages of contractors' employees (H. Rept. 308). p. 8474
Passed without amendment H. R. 1819, to amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of benefits plans. p. 8430
Passed without amendment H. R. 5569, to permit the recovery by the Government of amounts due the Government in the settlement of claims under the Civil Service Retirement Act. pp. 8430-1
Passed over without prejudice H. R. 3517, to amend the Retired Federal Employees Health Benefits Act with respect to Government contribution for expenses incurred in the administration of the Act. p. 8430
Received from the Civil Service Commission a proposed bill "to adjust the rates of basic compensation of certain officers and employees in the Federal Government"; to Post Office and Civil Service Committee. p. 8474
22. **NATIONAL PARKS.** Agreed to as reported H. Con. Res. 61, to express the sense of Congress in respect to marking the Lewis and Clark Trail from St. Louis, Mo., to the Pacific Northwest. p. 8431
23. **RECLAMATION.** Received from Interior a proposed bill to "provide for construction, maintenance, and operation of the Michaud Flats irrigation project"; to Interior and Insular Affairs Committee. p. 8474
24. **TARIFF.** Received from the Tariff Commission the fifth supplemental report on the tariff classification study made under the Tariff Classification Act of 1962. p. 8474

25. FLOOD INSURANCE. Received a memorial from the Md. Legislature requesting enactment of legislation to implement the Federal Flood Insurance Act of 1956. p. 8475
26. ELECTRIFICATION. Rep. Saylor criticized the contracts between the Bonneville Power Administration and the Washington Public Power Supply System as not complying with the civil rights law. pp. 8461-4
27. TVA. Rep. Jones (Ala.) inserted the President's remarks on the anniversary of the Tennessee Valley Authority. pp. 8469-70

ITEMS IN APPENDIX

28. RESEARCH. Extension of remarks of Rep. Gross inserting an article, "Control of Research," and stating that "it properly expresses alarm over the increasing domination of the Nation's total research effort by the Federal Government." pp. A3141-2
29. FARM PROGRAM. Extension of remarks of Sen. Young, N. Dak., inserting a farmer open letter to the Congress discussing farm problems. p. A3143
Extension of remarks of Rep. Secrest inserting an address by R. M. Kock, president, National Limestone Institute, Inc., "Agriculture at the Washington Level." pp. A3155-7
Extension of remarks of Rep. Skubitz inserting an article, "What Is A Farmer?" p. A3157
Extension of remarks of Rep. Chamberlain inserting an article criticizing the feed grain program. p. A3165
30. WHEAT. Extension of remarks of Rep. Skubitz inserting an editorial and stating that it "very properly denounces Secretary Freeman's use of the taxpayers' money to influence a yes vote on the wheat referendum." p. A3146
Extension of remarks of Rep. Rhodes inserting Ezra Benson's statement urging defeat of the wheat referendum. p. A3164
Extension of remarks of Rep. Skubitz inserting an article, "Voting for Freedom?" opposing a "Yes" vote in the wheat referendum. p. A3181
31. MEAT IMPORTS. Extension of remarks of Rep. Berry criticizing beef imports and stating that "the administration's policy of allowing this flood of foreign beef is a calculated effort, instigated by the Secretary of Agriculture, to bring economic pressure on the American cattlemen..." p. A3149
32. ELECTRIFICATION. Extension of remarks of Rep. Evins inserting editorials and articles regarding the President's visit in connection with the celebration of the 30th anniversary of TVA. pp. A3162-4
Extension of remarks of Rep. Cramer inserting a statement and letters in reply to alleged charges of the Rural Electric Cooperative Association. pp. A3177-9
33. EXPENDITURES; APPROPRIATIONS. Extension of remarks of Rep. Alger stating that "the administration continues to ask for appropriations far in excess of actual need..." and that "before we appropriate new billions it is just good horsensense to ask how much there is left in unexpended funds already appropriated." pp. A3164-5
Extension of remarks of Rep. Alger inserting an article, "Another Way To Measure Government Spending." pp. A3175-6

TRIPLE DUTY TO VOTE IN WHEAT REFERENDUM

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, eligible farmers have a triple duty to get out and vote in tomorrow's wheat referendum.

They owe it to themselves, to other farmers who are not eligible, as well as to other disenfranchised fellow citizens.

At most, only 3 million people—less than half the farm population and less than 2 percent of the total U.S. population—can qualify under voting rules. The rest—some 180 million people—have a big stake in the outcome of the referendum but cannot vote.

Those who can vote owe it to themselves to help make this fundamental decision. The referendum will decide, perhaps for many years, whether Government is to exert greater or less control over wheat planting.

They have an equal responsibility to their fellow farmers who cannot vote. The outcome of the referendum will be inevitably interpreted as showing 'how farmers in general feel about controls, but less than half are eligible. Those who can vote have a moral obligation to get to the polls in behalf of the rest. Many farmers with strong convictions against government controls usually boycott referendums. In the interest of their voteless fellow farmers, I hope they will make an exception this time.

Eligible farmers have a similar responsibility to nonfarmers. The referendum touches intimately all consumers and all taxpayers but discriminates against most of them.

It proposes a heavy processing fee on wheat used in flour milling—plainly speaking, a bread tax—but the only consumers who can vote are those who are also eligible wheat farmers.

The wheat program takes the biggest tax bite of all farm commodity programs, costing over \$1.5 billion annually. All taxpayers help foot the bill but only a small percentage can take part in the referendum which will make the tax bite bigger or smaller.

THE LATE HUGH BENNETT

(Mr. JENSEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JENSEN. Mr. Speaker, the day the Soil Conservation Service was authorized will be remembered by the people of America as one of the greatest days that America has ever witnessed. That day we began to conserve the precious and the priceless topsoil of America. Before that time our soil had blown away, washed away, eroded away at a terrific pace. Hugh Bennett was the daddy of the Soil Conservation Service, and he did a wonderful job. He has now passed to his reward, but his doings, his work in the field of soil conservation, will long be remembered by a grateful people. The churches of

America are celebrating Soil Conservation Week because they know that the conservation of our soil is the most important thing that the American people can accomplish in perpetuating the true spirit that exists in America among the God-fearing, God-loving people. It means that we will always have a plentiful supply of food, feed, and fiber. The record as far back as you want to read history has proven that the nation that has the greatest supply of food, feed, and fiber, and with God on its side, has been the victor of every war in recorded history.

PRESIDENT KENNEDY DELIVERS MAGNIFICENT AND HISTORIC ADDRESS TO MARK 90TH ANNIVERSARY OF VANDERBILT UNIVERSITY AND THE 30th ANNIVERSARY OF TVA

(Mr. EVINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVINS. Mr. Speaker, President John F. Kennedy on Saturday flew to Nashville, Tenn., for ceremonies marking the 90th anniversary of Vanderbilt University and the 30th anniversary of the Tennessee Valley Authority. The acting majority leader has asked that the text of the President's remarks be reprinted in the RECORD.

After the President's historic address, he pressed a golden key which initiated construction of the Cordell Hull Dam which is located in the District I have the honor to represent in the Congress.

Citizens of Tennessee were very pleased and honored to have the President visit our State and an estimated 200,000 Tennesseans lined the streets along which President Kennedy traveled and more than 30,000 jammed Dudley Stadium at Vanderbilt University for the President's address. He was warmly received and his remarks were loudly applauded and cheered.

President Kennedy made a most scholarly, forceful, and magnificent address. He pointed to the important role that education has played in our Nation's history and to the important that education must continue to play if our Nation is to move forward.

He also urged all Americans to be responsible citizens and stated that some citizens "must be more responsible than others." He said:

Increased responsibility goes with increased ability—for of those to whom much is given, much is required.

Following his address on the Vanderbilt campus, President Kennedy and the members of his party were luncheon guests of Tennessee's Gov. Frank G. Clement and Mrs. Clement at the Governor's residence.

Mr. Speaker, it was indeed a grand and historic occasion for Tennessee to have President Kennedy as guest in our State, and I wanted our colleagues to know of the warm and friendly reception which the President received in the Volunteer State of Tennessee.

SUBCOMMITTEE NO. 1 OF THE COMMITTEE ON THE JUDICIARY

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that Subcommittee No. 1 of the Committee on the Judiciary be permitted to sit during general debate, if there be general debate, on Wednesday, May 22, 1963, and Thursday, May 23, 1963.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

EXPRESSION OF CONGRATULATIONS TO MAJ. L. GORDON COOPER

Mr. STEED. Mr. Speaker, I call up House Resolution 351 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas Major L. Gordon Cooper, of the United States Air Force, has completed the longest flight in space ever undertaken by an American; and

Whereas the bravery, skill, and dedication of Major Cooper have aroused the admiration of the people of the world, and demonstrated the capabilities of free men in the exploration of space; and

Whereas the efforts of thousands of Americans have contributed to the success of Major Cooper's flight; and

Whereas the family of Major Cooper has endured the long trial of his preparation and flight with great fortitude, and has rendered him untiring support: Now, therefore, be it

Resolved, That the United States House of Representatives extends its profound congratulations to Major Cooper on his heroic accomplishment, and expresses its gratification to his family and to all those who have contributed to the success of his mission.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar Day. The Clerk will call the first bill on the Consent Calendar.

ADDITIONAL PAY FOR DIRECTORS AT VA INSTALLATIONS

The Clerk called the bill (H.R. 228) to amend title 38, United States Code, with respect to the salary of directors and chiefs of staff of Veterans' Administration hospitals, domiciliaries, and centers.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, it is my understanding that one of our colleagues is rather strongly opposed to this legislation. I therefore withdraw my reservation and ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ADDITIONAL HEALTH BENEFIT PLANS

The Clerk called the bill (H.R. 1819) to amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2(1) of the Federal Employees Health Benefits Act of 1959 (73 Stat. 710; 5 U.S.C. 3001(1)) is amended by striking out "1959" and inserting in lieu thereof "1963".

(b) Section 4(3) of such Act (73 Stat. 711; 5 U.S.C. 3003(3)) is amended by striking out ", and which on July 1, 1959, provided health benefits to members of the organization".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXPENSES OF RETIRED EMPLOYEES HEALTH BENEFITS

The Clerk called the bill (H.R. 3517) to amend the Retired Federal Employees Health Benefits Act with respect to Government contribution for expenses incurred in the administration of such act.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

RELIEF FOR CERTAIN NAVAL OFFICERS

The Clerk called the bill (H.R. 5042) for the relief of certain officers of the naval service erroneously in receipt of compensation based upon an incorrect computation of service for basic pay.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, may I ask a question or two of someone from the committee from which this legislation came to the floor of the House?

I ask this because over the years I have been concerned about the periodic appearance of legislation to relieve certain officers and others in the military services from their responsibilities under the law for erroneous compensation payments to members of the armed services.

I have tried to get the committee to pin responsibility on an individual or on an office for these erroneous payments. Last year on several occasions we had colloquy and it was then indicated that the committee was going to be more firm in its opposition to the recommendation of such legislation. Would the gentleman care to make any comment?

Mr. ASHMORE. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman.

Mr. ASHMORE. Mr. Speaker, I recall in the past when the gentleman from Michigan requested the committee to try to have some of these bills considered on the basis he has stated. However, I would like to state that this is not the same kind of legislation. It has come up from a different source and for a different reason. These instances covered by this bill are isolated. They happened due to an incident at the close of World War II. These are not the repetitious type which the gentleman has in mind. This came about because of a decision of the Comptroller General which held that the acceptance of midshipmen's appointments in effect canceled the inactive Naval Reserve enlisted status of these gentlemen.

They were serving in one capacity and at the end of the war, due to the educational program, they were transferred into another capacity. They received credit in the computation of past pay for their inactive Naval Reserve service. This decision resulted in their having received this money over a period of approximately 15 years. This continued for over these years, because the basis of the error was unknown until this decision of the Comptroller General came about, which said that credit for this particular enlisted service was an error and should not have been recognized during all these years.

Mr. FORD. Mr. Speaker, I understand the point made by the gentleman. It is an unusual circumstance; time has elapsed. The error was not determined until some 15 years subsequent to the problem arising. So under these unusual circumstances I shall raise no objection. But I do want the committee to know of my continuing interest in problems such as this. I think it is the committee's responsibility to be hard, difficult, so we do not condone this kind of circumstance.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FORD. I am glad to yield to the gentleman.

Mr. GROSS. Mr. Speaker, I want to concur in what the gentleman has said and join with him in protesting these errors which result in overpayments to altogether too many civilian employees. Comptroller General Campbell testified before the House Committee on Post Office and Civil Service 2 or 3 weeks ago, pointing out that during the period 1957 to 1961 this Government paid out more than \$100 million; in that brief space of time they paid out more than \$100 million to take care of just such incidents as this, where payments were erroneously made. I think this deserves the interest of every Member of the House of Representatives.

Mr. FORD. Mr. Speaker, it is my understanding that the Committee on the Judiciary does have a specific policy for the consideration of this type of legislation. Will the gentleman outline in the RECORD as part of this colloquy what the committee's policy is so that we are fully informed as to the attitude of the committee at the time it considers these requests?

Mr. ASHMORE. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman.

Mr. ASHMORE. Mr. Speaker, I might say that my predecessor, as chairman of the subcommittee, Mr. Lane, of Massachusetts, gave serious thought to this problem. We shall certainly give it our continuing attention, and make inquiries on the points the gentleman has suggested.

Mr. FORD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any member or former member of the naval service who—

(a) as an enlisted member of the United States Naval Reserve, was appointed a midshipman in the United States Naval Reserve without termination of the enlistment contract; and

(b) was thereafter erroneously credited in the computation of his basic pay with a period of enlisted service on and after the date of appointment;

is relieved of all liability to refund to the United States the amounts, which were otherwise correct, received by him prior to March 15, 1961, as a result of the erroneous credit for service. Any person who has at any time repaid to the United States any amount paid to him based upon an erroneous credit for service as cited in this section is entitled to have refunded to him the amount repaid.

SEC. 2. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States full credit shall be given for the amount for which liability is relieved by this Act.

SEC. 3. Appropriations available for the pay and allowances of members of the naval service are available for refunds under this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

U.S. PARK POLICE

The Clerk called the bill (H.R. 4893) relating to age limits in connection with appointments to the U.S. Park Police.

Mr. DUNCAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

The Clerk called the bill (H.R. 5569) to amend the Civil Service Retirement Act to permit the recovery by the Government of amounts due the Government in the settlement of claims under such act, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 15 of the Civil Service Retirement Act, as

H. R. 1819

IN THE SENATE OF THE UNITED STATES

MAY 21, 1963

Read twice and referred to the Committee on Post Office and Civil Service

AN ACT

To amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) section 2 (i) of the Federal Employees Health
4 Benefits Act of 1959 (73 Stat. 710; 5 U.S.C. 3001 (i)) is
5 amended by striking out "1959" and inserting in lieu thereof
6 "1963".

7 (b) Section 4 (3) of such Act (73 Stat. 711; 5 U.S.C.
8 3003 (3)) is amended by striking out ", and which on July
9 1, 1959, provided health benefits to members of the
10 organization".

Passed the House of Representatives May 20, 1963.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes.

MAY 21, 1963

Read twice and referred to the Committee on Post
Office and Civil Service

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued June 14, 1963
For actions of June 13, 1963
88th-1st; No. 89

CONTENTS

Adjournment.....12,31	Farm program.....32	Manpower.....42
Appropriations.....11	Feed or seed.....37	Marketing.....14
Area redevelopment...13,33	Foreign aid.....35,38	Milk.....28
Buildings.....29	Foreign trade.....22,24	National Service Corps..36
Conservation.....18	Fruits.....41	Packers and stockyards..17
Consumers.....9	Government competition..25	Peace Corps.....28
Farmland retirement....45	Health benefits.....11,16	Personnel.....11,16
Disaster relief.....37	Highways.....7	Postage.....10
Electrification.....4,19	Information.....27	Property.....44
Expenditures.....8	Lead and zinc.....23	Public Law 480.....47
Exports.....41	Legislative program....11	Public works.....2
Farm labor.....1,34	Lobbying.....26	Recreation.....39
		Research.....46
		Small business.....6
		Stockpiling.....40
		Surplus commodities....47
		Taxation.....3
		Time standards.....15
		Water pollution.....5
		Watersheds.....30
		Wheat.....40,45
		Wildlife.....43
		Youth employment.....21

HIGHLIGHTS: Senate committee reported Area Redevelopment Act amendments bill. Sen. Hruska opposed USDA control over check-offs under Packers and Stockyards Act. Reps. Gonzalez, Cohelan, and Gathings debated merits of extending Mexican farm labor program. Sen. Dominick introduced and discussed bill to establish outdoor recreation fund.

HOUSE

1. FARM LABOR. Reps. Gonzalez, Cohelan and Gathings debated the merits of the Mexican farm labor program. pp. 10271-3, 10275-6, 10283-4
2. PUBLIC WORKS. Rep. Hechler urged passage of his bill to finance the accelerated public works program through 1964. p. 10248
3. TAXATION. By a vote of 283 to 91, passed without amendment H. R. 6755, to continue for 1 year (until July 1, 1964) the present combined 52 percent corporate income tax rate and the present rates of excise tax on distilled spirits, beer, wine, cigarettes, passenger cars, automobile parts and accessories, general telephone service, and transportation of persons by air. pp. 10250-64
4. ELECTRIFICATION. Rep. Saylor criticized the Hanford power contracts as using a "double standard for administration of civil rights law" and its "serious adverse national defense aspects." pp. 10265-70

5. WATER POLLUTION. Rep. Sullivan complimented the work of St. Louis "to help solve the urgent national problem of water pollution." p. 10273
6. SMALL BUSINESS. Rep. Kyl urged passage of his bill to create a permanent Committee on Small Business. pp. 10276-8
7. HIGHWAYS. The Roads Subcommittee of the Public Works Committee voted to report to the full committee H. R. 6141 (amended), to provide for submission of cost estimates for the completion of the National System of Interstate and Defense Highways. p. D433
Rep. Cramer urged passage of his bill to investigate and study the types and volumes of estimated highway traffic projected for 20 years after completion of the current Federal-aid highway program. pp. 10279-81
8. FEDERAL EXPENDITURES. Rep. Curtis criticized the President's reasons for not following the recommendations of the Advisory Commission on Federal Expenditures. pp. 10281-3
9. CONSUMERS. The "Daily Digest" states that the Intergovernmental Relations Subcommittee of the Government Operations Committee "approved a report entitled 'Consumer Protection Activities of State Governments (Part I-The Regulation of Drugs and Related Projects).'" p. D432
10. POSTAGE. The Post Office and Civil Service Committee voted to report (but did not actually report) H. R. 5795 (amended), to grant Congress authority to set rates of postage for fourth-class mail. p. D433
11. LEGISLATIVE PROGRAM. Rep. Albert announced that under suspension on Mon., June 17, the House will consider H. R. 3517, regarding the Government contribution for expenses incurred in the administration of the Retired Federal Employees Health Benefits Act, and that the Consent Calendar will be called; and on Tues., June 18, the State, Justice, Commerce, and Judiciary appropriation bill. p. 10264
12. ADJOURNED until Mon., June 17. p. 10288

SENATE

13. AREA REDEVELOPMENT. The Banking and Currency Committee reported with amendments S. 1163, to increase the authorizations for loans and grants under the area redevelopment program (S. Rept. 250). p. 10145
14. MARKETING. The Antitrust and Monopoly Subcommittee of the Judiciary Committee voted to report to the full committee with amendments S. 387, to prohibit unfair methods of packaging and labeling consumers' commodities in interstate commerce. p. D431
15. TIME STANDARDS. The Commerce Committee voted to report (but did not actually report) with amendment S. 1033, to provide for the establishment of a uniform system of time standards in the U.S. p. D430
16. PERSONNEL. The Health Benefits and Life Insurance Subcommittee of the Post Office and Civil Service Committee voted to report to the full committee H. R. 1819, to amend the Federal Employees Health Benefits Act so as to provide additional choice of health benefits plans. p. D431

Sen. Young (Ohio) spoke in opposition to substantial salary increases for Federal officials. pp. 10166-7

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued June 18, 1963
For actions of June 17, 1963
88th-1st, No. 90

CONTENTS

Adjournment.....13
Appropriations.....14
Area redevelopment....5,28
Arts.....6
Assistant Secretary.....23
Contracts.....33
Electrification....2,18,31
Farm labor.....27

Farm policy.....25
Fiber.....23
Foreign aid.....4
Foreign trade.....20,29
Hall of fame.....8
Health benefits.....1
Information.....6,16
Land reform.....24

Lands.....2,21
Loans.....31,32
Manpower.....35
Metal scrap.....23
Patents.....12
Personnel.....1,11,15
Publications.....16
Purchasing.....22
REA interest rates.....31
Reclamation.....34
Retirement.....15
Surplus commodities.....36
Tanning extracts.....23
Tobacco.....7,17
Transportation.....9
Water pollution.....30
Water resources.....19
Water rights.....26
Watersheds.....10
Wildlife.....30

HIGHLIGHTS: Sen. Church submitted amendment to reduce number of countries receiving foreign aid. Sen. Humphrey urged support for foreign aid program. House committee reported (June 14) State-Justice-Commerce-Judiciary appropriation bill.

SENATE

1. **PERSONNEL.** The Post Office and Civil Service Committee reported without amendment H. R. 1819, to amend the Federal Employees Health Benefits Act of 1959 so as to eliminate a requirement that employee organization health plans must have been in operation on July 1, 1959, and to permit employee organizations to apply for approval as carriers during 1963 (S. Rept. 251). p. 10311
2. **ELECTRIFICATION.** The Interior and Insular Affairs Committee reported without amendment S. 851, to authorize the Secretary of the Interior to market electric power generated at Amistad Dam on the Rio Grande (S. Rept. 257), and H. J. Res. 180, to authorize continued use of certain lands within the Sequoia National Park for a hydroelectric project (S. Rept. 259). p. 10311

4. FOREIGN AID. Sen. Church submitted and discussed a proposed amendment to the foreign aid authorization bill to provide that no foreign aid assistance shall be furnished on a grant basis to any country, except to fulfill firm commitments made prior to July 1, 1963, unless the President shall have determined that it would be an undue economic burden upon such country to purchase or provide the supplies, equipment, or services proposed to be furnished. Sens. Long (La.), Moss, Dominick, and Morse commended the proposed amendment. pp. 10362-76
Sen. Humphrey defended the foreign aid program against recent criticism and urged support for the program, stating that it has been a wise investment. pp. 10381-3
5. AREA REDEVELOPMENT. Sen. Miller submitted an amendment intended to be proposed to S. 1163, to increase the authorizations for the area redevelopment program. p. 10314
6. INFORMATION; ARTS. Sen. Pell inserted the report to the President by August Heckscher, special consultant on the arts, dealing with activities of Federal departments and agencies as they relate to the arts. pp. 10325-34
7. TOBACCO. Sen. Moss inserted two articles discussing the study of the American Heart Assoc. on the relationship of cigarette smoking to heart disease. pp. 10318-9
8. AGRICULTURAL HALL OF FAME. Sen. Pearson commended the progress being made on the construction of the Agricultural Hall of Fame in Kan. p. 10316
9. TRANSPORTATION. Received a Maine Legislature resolution favoring enactment of legislation to exempt certain carriers from minimum rate regulation in the transportation of bulk agricultural commodities. p. 10311
10. WATERSHEDS. Received from the Budget Bureau plans for works of improvement on the following watershed projects:
Johns Creek, Va. and Upper Deckers Creek, W. Va.; to Agriculture and Forestry Committee. p. 10310
Cheaha Creek, Ala.; Poteau River, Ark. and Okla.; and Middle Fork-Obion River, Tenn.; to Public Works Committee. pp. 10310-11
11. PERSONNEL BENEFITS. Both Houses received from the Budget Bureau a proposed bill "to authorize Government agencies to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service to civilian officers and employees of the United States"; to H. Post Office and Civil Service and S. Government Operations Committees. pp. 10308, 10310
12. PATENTS. Both Houses received from Commerce a proposed bill "to fix the fees payable to the Patent Office"; to H. and S. Judiciary Committees. pp. 10308, 10310
13. ADJOURNED until Wed., June 19. p. 10383

HOUSE

14. APPROPRIATIONS. The Appropriations Committee reported (on June 14, during adjournment) without amendment H. R. 7063, the State, Justice, Commerce, Judiciary, and related agencies appropriation bill, 1964 (H. Rept. 383). p. 10308

ADDITIONAL HEALTH BENEFIT PLANS

JUNE 17, 1963.—Ordered to be printed

Mr. RANDOLPH, from the Committee on Post Office and Civil Service,
submitted the following

REPORT

[To accompany H.R. 1819]

The Committee on Post Office and Civil Service to whom was referred the bill (H.R. 1819) to amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

H.R. 1819 provides that Federal employee organizations may submit health-benefit plans to the U.S. Civil Service Commission for consideration so that these plans may be included among those comprising the Federal employees' health benefits program. The Federal Employees Health Benefits Act of 1959 (Public Law 86-382) stipulates that group health insurance plans sponsored by employee organizations must have been in operation for at least 1 year in order to be included in the program. This bill would eliminate the 1 year's experience requirement and would permit the inclusion within the program of employee organization health benefits plans which are submitted to the Commission during the year 1963.

At the time of the enactment of the Federal Employees Health Benefits Act, some employee organizations did not sponsor group health insurance programs for their membership. Some of these organizations now wish to sponsor such plans but may not have their proposed plans considered because of the limitations imposed by the language of the enabling act. This bill would remove those limitations and provide that from the date of enactment of H.R. 1819 until December 31, 1963, the Civil Service Commission will accept for review new organization-sponsored plans.

HISTORY

H.R. 1819 would have an effect similar to that of H.R. 10539 of the 87th Congress, which was favorably reported by the House Committee on Post Office and Civil Service on August 29, 1962. This measure passed the House on the last day of the session and was not taken up by the Senate.

STATEMENT

The Senate Committee on Post Office and Civil Service, when it considered legislation in 1959 to establish broad group health insurance coverage for all Federal employees, agreed that the program should include a Government-wide service-benefit plan, a Government-wide indemnity-benefit plan and certain comprehensive medical plans. Existing at the time were group health-benefit plans sponsored by recognized employee organizations for their memberships. If the act had been approved without recognition of the existence of these programs, the employee plans would, in effect, have been forced out of business, since no provision would have been made for the contribution of Federal funds as part of the employees' premiums. This obviously unacceptable effect was avoided by providing that, under certain conditions, existing plans would be included with those directly authorized by the act.

Among the requirements for acceptance of organization plans was (1) that they have been in operation on July 1, 1959 (1 year prior to the effective date) and (2) that the sponsoring organization apply for approval as a carrier prior to December 31, 1959. Thus, Public Law 86-382 protected employee-organization plans which were approved by the U.S. Civil Service Commission. While inclusion of these plans within the Federal program was intended primarily to avoid upsetting effective and beneficial plans already in existence, their inclusion greatly complicated the establishment and operation of the overall program. The history of smooth operation in administering such a widely diversified program is a tribute to the rapid and effective work of the U.S. Civil Service Commission and its employees who have established the program and have administered and coordinated it since its inception.

Subsequent events have demonstrated that possession of health benefits plans by employee organizations and the inclusion of these plans in the Federal program may have enhanced the popularity of the organizations offering them. Moreover, although this result was never intended in the enactment of Public Law 86-382, recent developments indicate that employee organizations which did not sponsor health insurance programs in 1959 or which did not, for whatever reason, choose to apply for inclusion may have suffered from the point of view of membership recruitment and retention.

The committee has heard testimony offered by the president of the National Association of Post Office Mail Handlers, Watchmen, Messengers, and Group Leaders that this national organization has lost more than 7,000 members. The mail handlers organization is ready to submit a group health plan for Commission approval but may not do so because of the restrictions written into the 1959 law. It is the belief of the president of the Mail Handlers Association that some prospective candidates for membership in his organization may

choose instead to join other employee groups offering Federal health protection programs rather than his organization which does not and, under existing law, cannot.

The operations director of the Government Employees Council, AFL-CIO, consisting of 25 unions representing Federal employees—postal, classified, and wage board—has endorsed H.R. 1819 and has requested favorable consideration. The president of the National Association of Postal Supervisors, an organization which offered no group health insurance program in 1959, supports this legislation.

The restrictive language of the original measure was never intended, in the view of the committee, to provide any employee group with a membership recruitment and retention advantage over any other. This bill would eliminate the requirement that employee organization plans have been in operation on July 1, 1959, and it would permit any employee organization to apply for approval of its health-benefits plan between the date of enactment and December 31, 1963. In short, it would open up the program for a limited period of time to any qualified employee organization which may now wish, for whatever reason, to apply for approval as a carrier.

Because of the splendid and outstanding work by the Civil Service Commission in bringing into efficient and smooth-working operation the detailed intent of the Congress as expressed in Public Law 86-382, the committee has given careful thought to the reasons advanced by the Commission in opposition to H.R. 1819. It is apparent, however, from the Commission's testimony that the amount of administrative burden which this measure would add to the Commission's responsibilities is not a major one. It is the committee's view that any inequity resulting, however unintentionally, as between the various employee organizations, ought to be remedied. It favorably reports H.R. 1819 with a view to effectuating such a remedy.

COST

The Civil Service Commission estimates that the cost of the initial inclusion of a new plan would be approximately \$20,000. Expected also is a continuing cost in subsequent years of a lesser amount per year than the initial cost.

AGENCY VIEWS

The reports of the Bureau of the Budget, the Comptroller General of the United States, and the U.S. Civil Service Commission on S. 730, an identical bill except for a typographical error, follow:

EXECUTIVE OFFICE OF THE PRESIDENT,

BUREAU OF THE BUDGET,

Washington, D.C., March 13, 1963.

HON. OLIN D. JOHNSTON,

*Chairman, Committee on Post Office and Civil Service,
U.S. Senate, New Senate Office Building, Washington, D.C.*

DEAR MR. CHAIRMAN: Reference is made to the committee's request for the views of the Bureau of the Budget respecting S. 730, a bill to amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes.

The purpose of the bill is to permit new employee organization health benefits plans to be established and to qualify under the Federal Employees Health Benefits Act of 1959.

In a report which the Chairman of the Civil Service Commission is submitting to your committee on this bill, opposing its enactment, he states that the Commission has observed no need for additional employee organization plans, and that such proposals increase administrative costs with no real benefit to employees. Each new carrier adds to the duties and administrative complexity of the program both for the Commission and the employing agencies, with consequent increases in staff and expense.

Accordingly for the reasons stated in the report of the Civil Service Commission, with which we concur, the Bureau of the Budget strongly recommends that the committee not give favorable consideration to S. 730.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, February 25, 1963.

B-119033.

HON. OLIN D. JOHNSTON,
Chairman, Committee on Post Office and Civil Service,
U.S. Senate.

DEAR MR. CHAIRMAN: Your letter of February 9, 1963, acknowledged February 13, requests our report upon S. 730 which would amend the Federal Employees Health Benefits Act of 1959, 73 Stat. 709, 5 U.S.C. 3001, et seq., to permit certain employee organizations which do not now qualify under the definition of the term "employee organizations" as used in that act to so qualify, and would authorize such employee organizations to submit health benefits plans to the Civil Service Commission for approval at any time prior to December 31, 1963.

We have no special information regarding the need for or desirability of the bill and, therefore, make no recommendation either for or against its enactment.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., March 18, 1963.

HON. OLIN D. JOHNSTON,
Chairman, Committee on Post Office and Civil Service,
U.S. Senate.

DEAR MR. CHAIRMAN: This is in further reply to your requests for Commission report on S. 730, S. 778, and S. 992, identical bills (except for printing error in line 3 of S. 730 and S. 778—"8" should be "2"), to amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes.

Each of the bills would amend the act to eliminate the requirement that employee organization plans have been in operation on July 1, 1959, and would permit employee organizations to apply for approval as carriers during 1963.

The apparent purposes of the provisions proposed to be amended were three:

(1) To recognize the real contribution made by employee organizations in arranging group health insurance for their members in the absence of a Federal program, and to prevent the hardship to the organizations and their members, particularly insured former Federal employees and retired employees which would result if the greater part of the membership were drained off into a separate Federal program.

(2) To require at least a minimum of 1 year's experience in operating a health benefits plan.

(3) To restrict the number of employee organization plans to a number which would not unreasonably complicate administration of the program.

The proposed amendment would not advance the first item mentioned above and would defeat the other two.

The Commission has not observed any need for additional employee organization plans. At present each Federal employee is eligible to join at least four employee organizations having health benefits plans. When the service benefit plan, the indemnity benefit plan, and any comprehensive medical plan for which the employee is eligible are added, the choice is presently bewildering. Additional choices only serve to confuse, especially since all existing employee organization plans are variations on the indemnity benefit theme. Terms and rates differ, but the indemnity principle is the same. We would expect new employee organization plans to be similar in nature. There appears no reason, now that the Federal program is well underway, why an employee organization should feel a need for a new program for its present members.

It is apparent from the legislative history that Congress contemplated an indemnity benefit plan, a service benefit plan, half a dozen employee organization plans and a similar number of comprehensive plans, perhaps 15 in all. Under the original legislation we have approved twice that number, 12 of the existing 37 being employee organization plans. Under the proposed amendment any nationwide or agencywide employee organization could sponsor a health benefits plan if it applied by December 31, 1963, and could find an underwriter. In view of the successful operation of the Federal employees health benefits program since July 1, 1960, we would expect that underwriters can readily be found. Each carrier added to the group adds to the duties of the Commission, and of employing agencies, which also have functions under the program, inexorably followed by increases in staff and expense of administration generally. Since we do not have any information on the number of employee organizations which might qualify, we can only speculate as to the amount of the increase.

The costs of the Commission's administration of the Federal program go into the enrollment charge by virtue of the act's provision for accrual to reserves for administrative expenses of not more than 1 percent. Thus every additional administrative expense goes to raise the cost of administration for each employee as well as for the

Government. The Commission prefers to see the Government's money and the employee's money used for health benefits, rather than for administration. Consequently we are compelled to object to a proposal which increases administrative costs with no real benefit to employees.

The elimination of the requirement of experience appears particularly undesirable. We have found that operation of any plan improves with experience. The first year of operation, particularly, is a learning process. Even if an experienced underwriter is selected there are many problems which must necessarily be worked out during the first year of actual operation. This further complicates the operation of the Federal program, and if not successful, can result in employee dissatisfaction.

In addition, we may expect that any deadline set for application for approval will eliminate some existing or to-be-formed employee organization from consideration. We can logically expect, therefore, that if one of these bills is enacted, there will later be requests for further extension of the time to apply, since the sponsorship of a health benefits plan seems to be a desirable adjunct to a membership drive.

For the reasons stated, the Commission opposes the enactment of S. 730, S. 778, and S. 992.

The Bureau of the Budget advises that from the standpoint of the administration's program there is no objection to the submission of this report.

By direction of the Commission:

Sincerely yours,

(Signed) JOHN W. MACY, Jr.,
Chairman.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

FEDERAL EMPLOYEES HEALTH BENEFITS ACT OF 1959

* * * * *

DEFINITIONS

SEC. 2. As used in this Act—

* * * * *

(i) "Employee organization" means an association or other organization of employees which—

(1) is national in scope or

(2) in which membership is open to all employees of a Government department, agency, or independent establishment who are eligible to enroll in a health benefits plan under this Act, and which on or before December 31, [1959] 1963, applies to the Commission for approval of a plan provided for by section 4(3) of this Act.

* * * * *

HEALTH BENEFITS PLANS

SEC. 4. The Commission may contract for or approve the following health benefits plans:

* * * * *

(3) EMPLOYEE ORGANIZATION PLANS.—Employee organization plans which offer benefits of the types referred to in section 5(3), which are sponsored or underwritten, and are administered, in whole or substantial part, by employee organizations, which are available only to persons (and members of their families) who at the time of enrollment are members of the organization¹, and which on July 1, 1959, provided health benefits to members of the organization².



Calendar No. 232

88TH CONGRESS
1ST SESSION

H. R. 1819

[Report No. 251]

IN THE SENATE OF THE UNITED STATES

MAY 21, 1963

Read twice and referred to the Committee on Post Office and Civil Service

JUNE 17, 1963

Reported by Mr. RANDOLPH, without amendment

AN ACT

To amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) section 2 (i) of the Federal Employees Health
4 Benefits Act of 1959 (73 Stat. 710; 5 U.S.C. 3001 (i)) is
5 amended by striking out "1959" and inserting in lieu thereof
6 "1963".

7 (b) Section 4 (3) of such Act (73 Stat. 711; 5 U.S.C.
8 3003 (3)) is amended by striking out " , and which on July
9 1, 1959, provided health benefits to members of the
10 organization".

Passed the House of Representatives May 20, 1963.

Attest:

RALPH R. ROBERTS,

Clerk.

Calendar No. 232

88TH CONGRESS
1ST SESSION

H. R. 1819

[Report No. 251]

AN ACT

To amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes.

MAY 21, 1963

Read twice and referred to the Committee on Post Office and Civil Service

JUNE 17, 1963

Reported without amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued June 27, 1963
For actions of June 26, 1963
88th-1st; No. 96

CONTENTS

Air pollution.....19	Farm labor.....14,24	Livestock.....49
Antidumping.....42	Farm problems.....31	Milk.....36
Appropriations...2,9,20,43	Farm tour.....11	Omnibus bill.....38
Area redevelopment....1,51	Foreign aid.....27,48	Patents.....44
Attorneys.....33	Forestry.....35	Peace Corps.....7
Civil defense.....32	Health.....3	Personnel.....3,33
Civil rights.....40	Highways.....39	Reclamation.....34
Consumers.....6,13,29	Grants-in-aid.....17,41	Research.....22,23
Cotton.....5,12	Legislative organi- zation23	Retirement.....33
Dairy.....18	Legislative program...8,21	Saline water.....15
Expenditures.....25	Library.....46	Small business.....45
Export-Import Bank.....10		Soybean plant.....51
		Sugar.....30
		Taxation.....47
		Textiles imports.....5
		Trade fairs.....26
		Unemployment compensation.....20
		Water resources.....16,22
		Watersheds.....4,37,50
		Wool.....5
		Wildlife.....28

HIGHLIGHTS: Senate passed area redevelopment bill. Sen. Dodd recommended wool-imports control. Sen. Neuberger inserted statement on Consumer Advisory Council. Sen. Proxmire introduced and discussed bill to continue CCC authority re fallout in milk. Sen. Ellender introduced USDA administrative omnibus bill. Rep. Taft explained reasons for sugar price increase. Rep. Short criticized Secretary Freeman's farm tour of Soviet Countries. Several Representatives discussed abolition of two-rice cotton program.

SENATE

1. AREA REDEVELOPMENT. Passed, 65-30, with amendments S. 1163, to amend the Area Redevelopment Act and increase its appropriation authorization by \$150 million. The bill, as passed, is printed in the Congressional Record. pp. 11019-64
2. LEGISLATIVE APPROPRIATION BILL. Passed with amendments this bill, H. R. 6868. Senate conferees were appointed. pp. 11064-73
3. PERSONNEL. Passed without amendment H. R. 1819, which provides that Federal employee organizations may submit health-benefit plans to the Civil Service Commission for consideration so that these plans may be included among those comprising the Federal employees' health benefits program. This bill will now be sent to the president. pp. 11076-7

4. WATERSHEDS. The Public Works Committee approved watershed projects for Big Nance Creek, Ala.; Apache Junction-Gilbert, Ariz.; Williams-Chandler, Ariz.; supplement to Little Tallapoosa River, Ga.; Chuquatonchee Creek, Miss.; Stillwater Creek, Okla.; Guayanes River, P. R.; Cheah Creek, Ala.; Poteau River, Ark. and Okla.; and Middle Fork of Obion River, Tenn. p. D481
5. TEXTILE IMPORTS. Sen. Dodd recommended an international quota arrangement for wool similar to the one for cotton. pp. 11016-7
6. CONSUMERS. Sen. Neuberger commended Government assistance to consumers and inserted excerpts from an address by Dr. Helen G. Canoyer on the origin, purpose, and problems of the Consumer Advisory Council. pp. 11016-7
7. PEACE CORPS. Sen. Humphrey inserted and commended a history of the Peace Corps by Sargent Shriver. pp. 11085-9
8. LEGISLATIVE PROGRAM. Sen. Mansfield said the Senate will be in session June 28, and July 2, 5, and 9. p. 11064

HOUSE

9. APPROPRIATIONS. By a vote of 410 to 1, passed with amendments H. R. 7179, the defense appropriation bill, 1964 (pp. 11105-30). Agreed to an amendment by Rep. Gross prohibiting the use of any funds in the bill for establishment of a domestic peace corps or national service corps (pp. 11121-2).
10. EXPORT-IMPORT BANK. Objection was made to sending to conference H. R. 3872, to increase the lending authority of the Export-Import Bank. p. 11104
11. FARM TOUR. Rep. Short criticized Secretary Freeman's farm tour and suggested that the time could be better spent working on the domestic wheat and cotton problems. p. 11134
12. COTTON. Rep. Whitener and several other Representatives discussed the merits of abolishing the two-price cotton program and the resultant effect on the textile industry. pp. 11141-5
13. CONSUMERS. The Committee on Interstate and Foreign Commerce voted to report (but did not actually report) with amendments H. R. 3669 to promote quality and price stabilization. p. D482
14. FARM LABOR. Rep. Rosenthal pointed out the gimmickry in the bills introduced to "phase out the use of Mexican agricultural workers under title V of the Agricultural Act of 1949." pp. 1148-9
Rep. Gonzalez praised the defeat in the House of the attempt to extend Public Law 78 allowing Mexican braceros to work freely in U.S. agriculture. p. 1149
15. SALINE WATER. Rep. Charles H. Wilson praised the operations of the Office of Saline Water in the Department of the Interior. p. 11137
16. WATER RESOURCES. Rep. Beermann urged action to approve the Lower Niobrara River and Ponca Creek Compact. p. 11131
17. GRANTS-IN-AID. Rep. Lindsay asked for a coordinated and systematic congressional review of grants-in-aid. pp. 11133-4

S. 1716

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 5, 1963

Referred to the Committee on Education and Labor

AN ACT

To amend the Manpower Development and Training Act of 1962.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That (a) section 203 (d) of the Manpower Development
4 and Training Act of 1962, as amended, is amended by
5 striking out "1964" and inserting in lieu thereof "1965".

6 (b) The third sentence of section 231 of such Act is
7 amended by striking out "1964" and inserting in lieu thereof
8 "1965".

9 SEC. 2. Subsection (b) of section 304 of such Act is
10 amended by striking out the words "a like amount" and
11 inserting in lieu thereof "\$322,000,000".

Passed the Senate September 4, 1963.

Attest:

FELTON M. JOHNSTON,

Secretary.

88TH CONGRESS
1ST Session

S. 1716

AN ACT

To amend the Manpower Development and
Training Act of 1962.

SEPTEMBER 5, 1963

Referred to the Committee on Education and Labor

July 16 of that year, he established the first of the 21 California missions.

Although he and his companions—both religious and lay—were plagued with sickness and a shortage of food and provisions, they did not stop with the establishment of the San Diego Mission. They proceeded, against all adversity, to Monterey and other more northern and distant points.

In 1770, the San Carlos de Carmel Mission was established in Monterey. This was followed by the establishment of the San Antonio de Padua Mission in 1771, the San Gabriel Mission that same year, the San Luis Obispo Mission in 1772, the San Francisco de los Dolores Mission in 1776, the San Jose Capistrano Mission that same year, the Santa Clara Mission in 1777, and the San Buenaventura Mission in 1782.

Padre Serra died on August 28, 1784, at his beloved San Carlos Mission. It was a peaceful, serene transition from this life to the life hereafter, perhaps because he saw the fruits of his earthly labors, and he knew that the work he had started would go on even without him.

And go on it did. Even after his death, his followers went on to establish the Santa Barbara, Santa Cruz, La Soledad, San Jose de Guadalupe, San Juan Bautista, San Miguel, San Fernando, San Luis Rey, Santa Inez, San Rafael, and San Francisco Missions.

But all of these achievements have had more than just religious significance. They have likewise had social, economic, and political meaning. This I now wish to stress and emphasize by quoting the Honorable Isidore B. Dockweiler, who in 1931 said:

"For nigh 16 years, this able, simple, kindly friar toiled in California. Up and down the coast he traveled, an invalid physically. He taught the native Indian the homely arts of husbandry: he instilled into them the rudiments of government in frontier society * * *. He prepared the slopes of this western land for the advance of empire which years later was to press and fructify.

"He and his fellow friars brought thither * * * the orange, the lemon, the olive, the fig * * * other fruit trees * * * vegetable, cereals, cattle, sheep, horses * * * agricultural implements.

"In a few years he caused these natives to be taught the art of making mortar and cement and brick and tile, the hewing of stone and timber, the fashioning of iron agricultural implements." * * *

"Serra was the first to apply the science of irrigation.

"He chiefly attracted the Indian by his just and paternal treatment."

In the same vein, the historian, John Steven McGroarty, wrote:

"Within the valleys and sun-swept hills where he had found only waste and desolation, he left unnumbered flocks and herds. It is perhaps quite safe to say that there is not in all the history of civilization one other single man whose individual labors for God and humanity bore such bountiful harvest."

History also records a long, arduous 200-league trek which Padre Serra made, all the way from California to Mexico City, when he felt that the Spanish Viceroy was taking an attitude adverse to the continuance of his mission program. He undertook this journey even when he was sick and lame from his other travels within California. Such was the spirit and nature of this man that he returned not only with the Viceroy's approval and sanction, but also with badly needed food and provisions. This is indicative of his dedication to the lofty purpose he had set before himself.

The agricultural paradise that is now the State of California found its beginnings with Padre Serra. As he worked in the West, on our eastern coast blood was flowing because

man oppressed man and the remedy to such oppression lay nowhere else but in a recourse to the ultimate right of revolution—the American Revolution. Padre Serra's labor of love among the Indians was already taking root. He was establishing the beginnings of an orderly, peaceful society where before there prevailed only the harsh law of the savage.

Indeed, Padre Serra's impact on California's history is so great that it may be said that the State itself found its origin in his efforts, his work, his successes.

The people of California today wish to commemorate the 250th anniversary of his birth with the issuance of a commemorative medal in his honor paid for solely from private funds. Thus, my colleague from California and I have introduced S. 743, to authorize and direct the Secretary of the Treasury "to strike and furnish to the Padre Junipero Serra 250th Anniversary Association" such national commemorative medals at not less than the estimated cost of manufacture.

I can think of no finer way to reaffirm the esteem and honor in which the citizens of California hold the missionary and man, Padre Junipero Serra, who left an indelible imprint on our State.

With kindest regards.

Sincerely yours,

THOMAS H. KUCHEL,
U.S. Senator.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 291), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

S. 743 authorizes the Secretary of the Treasury to strike and furnish to the Padre Junipero Serra 250th Anniversary Association not more than 300,000 national medals to commemorate the 250th anniversary of the birth of Padre Junipero Serra.

The medals would bear suitable emblems, devices, and inscriptions to be determined by the association subject to the approval of the Secretary of the Treasury. The size or sizes of the medals and the metals from which they would be made would be determined by the Secretary of the Treasury in consultation with the association. The medals would be made and delivered at such times as might be required by the association in quantities of not less than 2,000, but no medals could be made after December 31, 1964. The medals would involve no cost to the United States. They would be struck and furnished at not less than the cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses, and security satisfactory to the Director of the Mint would be required to be furnished to indemnify the United States for the full payment of such cost.

The bill was referred to the Secretary of the Treasury for a report, and his reply has been received indicating no objection to the enactment of the bill.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 743) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the commemoration of the two hundred and fiftieth anniversary of the birth of Padre

Junipero Serra, who was born in Majorca, Spain, on November 24, 1713, and came to the west coast in 1769 where he founded the first ten missions, which became the nucleus of civilization in what is now California, the Secretary of the Treasury is authorized and directed to strike and furnish to the Padre Junipero Serra 250th Anniversary Association not more than three hundred thousand medals with suitable emblems, devices, and inscriptions to be determined by the Padre Junipero Serra 250th Anniversary Association subject to the approval of the Secretary of the Treasury. The medals shall be made and delivered at such times as may be required by the association in quantities of not less than two thousand, but no medals shall be made after December 31, 1964. The medals shall be considered to be national medals within the meaning of section 3551 of the Revised Statutes.

SEC. 2. The Secretary of the Treasury shall cause such medals to be struck and furnished at not less than the estimated cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses; and security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for the full payment of such cost.

SEC. 3. The medals authorized to be issued pursuant to this Act shall be of such size or sizes and of such metals as shall be determined by the Secretary of the Treasury in consultation with such association.

The title was amended, so as to read: "A bill to furnish to the Padre Junipero Serra 250th Anniversary Association medals in commemoration of this 250th anniversary of his birth."

Mr. KUCHEL. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. MANSFIELD. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

STRIKING OF MEDALS IN COMMEMORATION OF 100TH ANNIVERSARY OF NEVADA STATEHOOD

Mr. MANSFIELD. Mr. President, I yield now to my distinguished friend, the Senator from Nevada [Mr. BIBLE].

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 271, Senate bill 1125.

The motion was agreed to; and the bill (S. 1125) to provide for the striking of medals in commemoration of the 100th anniversary of the admission of Nevada to statehood was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the commemoration of the one hundredth anniversary of the admission of Nevada to statehood, the Secretary of the Treasury is authorized and directed to strike and furnish to the Nevada Centennial Commission not more than twenty thousand medals with suitable emblems, devices, and inscriptions to be determined by the Nevada Centennial Commission subject to the approval of the Secretary of the Treasury. The medals shall be made of silver alloy and delivered at such times as may be required by the commission in quantities of not less than two thousand, but no medals shall be made after Decem-

ber 31, 1964. The medals shall be considered to be national medals within the meaning of section 3551 of the Revised Statutes.

SEC. 2. The Secretary of the Treasury shall cause such medals to be struck and furnished at not less than the estimated cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses; and security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for the full payment of such cost.

SEC. 3. The medals authorized to be issued pursuant to this Act shall be of such size or sizes as shall be determined by the Secretary of the Treasury in consultation with such commission.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 290), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

S. 1125 authorizes and directs the Secretary of the Treasury to strike and furnish to the Nevada Centennial Commission appropriate national medals to commemorate the 100th anniversary of the admission of Nevada to statehood on October 31, 1964.

The bill would provide that not more than 20,000 national medals of silver alloy be struck and furnished to the Nevada Centennial Commission. These medals would have suitable emblems, devices, and inscriptions to be determined by the Commission, subject to the approval of the Secretary of the Treasury. The size or sizes of the medals would be determined by the Secretary of the Treasury in consultation with the Commission. The medals would be made and delivered to the Commission at such times as it may require, in quantities of not less than 2,000, but no medals shall be made after December 31, 1964. The striking of the medals will result in no cost to the United States, and security, satisfactory to the Director of the Mint, would be furnished to indemnify the United States for the full payment of the entire estimated cost of manufacture.

The bill was referred to the Secretary of the Treasury for a report, and his reply has been received, indicating no objection to the enactment of the bill.

The 100th anniversary of the admission of a State to membership in the Union is an event worthy of commemoration by the issuance of a national medal. The particular importance and significance of the admission of Nevada to statehood are set forth in the attached statements from the sponsors of the bill, Messrs. BIBLE and CANNON, which are printed as a part of this report.

STATEMENT BY SENATOR ALAN BIBLE ON S. 1125, JUNE 10, 1963

It is singularly appropriate that the Secretary of the Treasury be authorized to strike silver medallions in commemoration of the 100th anniversary of the admission of Nevada to statehood.

Nevada mines yielded almost \$1 billion, and when its statehood was proclaimed by President Lincoln, on October 31, 1864, it was a foregone conclusion that the newest member of the Union would contribute greatly to strengthening the Nation's cause at a time of its gravest peril.

The fabulous mines of the Comstock Lode in Virginia City, Nev., lived up to the wildest expectations, and the wealth from this bonanza played a vital part in America's history not only during the dark hours of the War Between the States, but in the years which followed.

These silver medallions, heralding our centennial, will give eloquent testimony to the fact that the riches of Nevada's gold and silver ores made statehood possible. The importance of mining was evidenced even before Nevada was welcomed as the 36th State. The Territorial legislature, in 1861, adopted a State seal, later modified, which depicted mountains with a stream of water coursing down their sides and falling on the overshot wheel of a quartz mill at the base. In the foreground was a miner, leaning on a pick and holding high the U.S. flag.

The same determination portrayed by those early miners has threaded itself through Nevada's history during the last 100 years as generation after generation have contributed immeasurably to the world's greatest democracy.

I am hopeful that this honorable committee will see fit to give its approval to this legislation, and that the Senate will likewise ratify the action, to the end that Nevada's centennial observance will be favored with lasting mementos of a grateful Government.

STATEMENT OF HOWARD W. CANNON IN SUPPORT OF S. 1125

As a cosponsor of S. 1125, a bill to provide for striking of metals in commemoration of the 100th anniversary of the admission of Nevada to the Union, I urge this committee to report the measure favorably, as soon as it can be done.

As the committee knows, Nevada gained statehood October 31, 1864. During the year 1964, the people of my State expect to celebrate, with pageantry and commemoration, this centennial event.

Nevada, appropriately, has been known, historically, as the silver State. It has been one of the largest and most famous silver-producing areas of all times. In fact, the revenue resulting from silver production assisted immeasurably in the development of the West and in the industrial expansion of the entire Nation.

The Nevada Legislature, during each of the last three sessions, has memorialized the Congress and the President of the United States to authorize the issuance of silver coins commemorating this event.

I am hopeful, therefore, that the matter can be reported by the committee without delay.

AMENDMENT OF FEDERAL EMPLOYEES HEALTH BENEFITS ACT OF 1959

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 232, House bill 1819.

The motion was agreed to; and the bill (H.R. 1819) to amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 251), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

H.R. 1819 provides that Federal employee organizations may submit health-benefit plans to the U.S. Civil Service Commission for consideration so that these plans may be included among those comprising the Federal employees' health benefits program. The

Federal Employees Health Benefits Act of 1959 (Public Law 86-382) stipulates that group health insurance plans sponsored by employee organizations must have been in operation for at least 1 year in order to be included in the program. This bill would eliminate the 1 year's experience requirement and would permit the inclusion within the program of employee organization health benefits plans which are submitted to the Commission during the year 1963.

At the time of the enactment of the Federal Employees Health Benefits Act, some employee organizations did not sponsor group health insurance programs for their membership. Some of these organizations now wish to sponsor such plans but may not have their proposed plans considered because of the limitations imposed by the language of the enabling act. This bill would remove those limitations and provide that from the date of enactment of H.R. 1819 until December 31, 1963, the Civil Service Commission will accept for review new organization-sponsored plans.

HISTORY

H.R. 1819 would have an effect similar to that of H.R. 10539 of the 87th Congress, which was favorably reported by the House Committee on Post Office and Civil Service on August 29, 1962. This measure passed the House on the last day of the session and was not taken up by the Senate.

STATEMENT

The Senate Committee on Post Office and Civil Service, when it considered legislation in 1959 to establish broad group health insurance coverage for all Federal employees, agreed that the program should include a Government-wide service-benefit plan, a Government-wide indemnity-benefit plan and certain comprehensive medical plans. Existing at the time were group health-benefit plans sponsored by recognized employee organizations for their memberships. If the act had been approved without recognition of the existence of these programs, the employee plans would, in effect, have been forced out of business, since no provision would have been made for the contribution of Federal funds as part of the employees' premiums. This obviously unacceptable effect was avoided by providing that, under certain conditions, existing plans would be included with those directly authorized by the act.

Among the requirements for acceptance of organizations plans was (1) that they have been in operation on July 1, 1959 (1 year prior to the effective date) and (2) that the sponsoring organization apply for approval as a carrier prior to December 31, 1959. Thus, Public Law 86-382 protected employee-organization plans which were approved by the U.S. Civil Service Commission. While inclusion of these plans within the Federal program was intended primarily to avoid upsetting effective and beneficial plans already in existence, their inclusion greatly complicated the establishment and operation of the overall program. The history of smooth operation in administering such a widely diversified program is a tribute to the rapid and effective work of the U.S. Civil Service Commission and its employees who have established the program and have administered and coordinated it since its inception.

Subsequent events have demonstrated that possession of health benefits plans by employee organizations and the inclusion of these plans in the Federal program may have enhanced the popularity of the organizations offering them. Moreover, although this result was never intended in the enactment of Public Law 86-382, recent developments indicate that employee organizations which did not sponsor health insurance programs in 1959 or which did not, for whatever reason, choose to apply for inclusion may have

suffered from the point of view of membership recruitment and retention.

The committee has heard testimony offered by the president of the National Association of Post Office Mail Handlers, Watchmen, Messengers, and Group Leaders that this national organization has lost more than 7,000 members. The mail handlers organization is ready to submit a group health plan for Commission approval but may not do so because of the restrictions written into the 1959 law. It is the belief of the president of the Mail Handlers Association that some prospective candidates for membership in his organization may choose instead to join other employee groups offering Federal health protection rather than his organization which does not and, under existing law, cannot.

The operations director of the Government Employees Council, AFL-CIO, consisting of 25 unions representing Federal employees—postal, classified, and wage board—has endorsed H.R. 1819 and has requested favorable consideration. The president of the National Association of Postal Supervisors, an organization which offered no group health insurance program in 1959, supports this legislation.

The restrictive language of the original measure was never intended, in the view of the committee, to provide any employee group with a membership recruitment and retention advantage over any other. This bill would eliminate the requirement that employee organization plans have been in operation on July 1, 1959, and it would permit any employee organization to apply for approval of its health-benefit plans between the date of enactment and December 31, 1963. In short, it would open up the program for a limited period of time to any qualified employee organization which may now wish, for whatever reason, to apply for approval as a carrier.

Because of the splendid and outstanding work by the Civil Service Commission in bringing into efficient and smooth-working operation the detailed intent of the Congress as expressed in Public Law 86-382, the committee has given careful thought to the reasons advanced by the Commission in opposition to H.R. 1819. It is apparent, however, from the Commission's testimony that the amount of administrative burden which this measure would add to the Commission's responsibilities is not a major one. It is the committee's view that any inequity resulting, however unintentionally, as between the various employee organizations, ought to be remedied. It favorably reports H.R. 1819 with a view to effectuating such a remedy.

COST

The Civil Service Commission estimates that the cost of the initial inclusion of a new plan would be approximately \$20,000. Expected also is a continuing cost in subsequent years of a lesser amount per year than the initial cost.

SALE OF CERTAIN MINERAL INTERESTS IN CERTAIN REAL PROPERTY

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 233, House bill 1492.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 1492) to provide for the sale of certain reserved mineral interests of the United States in certain real property owned by Jack D. Wishart and Juanita H. Wishart.

Mr. MORSE. Mr. President, can the majority leader show me that the bill

provides for payment of the fair market value?

Mr. MANSFIELD. That is my understanding.

In the report, the following is stated:

H.R. 1492 would direct the Secretary of the Interior to sell to the surface owners of a tract of land in Florida, embracing approximately 270 acres, the mineral rights reserved by the United States. The price would be the fair market value of the mineral rights, plus the costs of the conveyance.

Mr. MORSE. Mr. President, I am satisfied.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 1492) was ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 252), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF BILL

H.R. 1492 would direct the Secretary of the Interior to sell to the surface owners of a tract of land in Florida, embracing approximately 270 acres, the mineral rights reserved by the United States. The price would be the fair market value of the mineral rights, plus the costs of the conveyance.

Thus, enactment of H.R. 1492 would call for no appropriation nor expenditure of Federal funds. The Interior Department report states:

"Our Geological Survey states that the lands are located in the outcrop area of the Hawthorn phosphate formation but is several miles east of the general trend of the hard rock phosphate field. Although we have no information concerning possible drilling operations on these or adjacent lands, the remoteness of these lands from mineralized areas and their location off the edge of the favorable trend area for commercial hard rock phosphate production tend to indicate that the lands have only remote possibilities for mineral development."

FACTUAL AND LEGAL BACKGROUND

The lands which are the subject of H.R. 1492 and S. 73 were mortgaged to the Government on July 10, 1942, as security for certain loans made under the Bankhead-Jones Farm Tenant Act. In January 1945 the lands were conveyed to the United States in satisfaction of the indebtedness. Congress, in directing the disposal of lands acquired under the Bankhead-Jones Act, required, among other things, that the United States reserve to itself a minimum of a 75-percent interest in all minerals. Pursuant to that statutory authority the Farm Security Administration on May 3, 1945, sold part of the property involved to a Mr. and Mrs. Sims and part of the property to a Mr. and Mrs. Nichols, reserving to the United States in each instance a 75-percent interest in the mineral estate.

The act of September 6, 1950 (64 Stat. 769; 7 U.S.C. 1033), authorized the Secretary of Agriculture, during a 7-year period, to transfer to the surface owners the reserved mineral estate in all lands of the nature involved in H.R. 1492, including those that had been sold to the Sims and Nichols families in 1945. The committee was advised that the Farmers Home Administration issued regulations in February of 1951 and in general circularized information concern-

ing the authorization for conveyance of the mineral estate to the surface owners. In addition, an attempt was made to furnish notice directly to those known to be involved. However, the committee was advised that the records do not disclose whether the owners of the surface of the lands described in H.R. 1492 actually received such notification.

The authority to dispose of the reserved mineral estate expired September 6, 1957, after which, in accordance with the 1950 act, the administration of the mineral estate was transferred to the Secretary of the Interior for leasing on November 4, 1958. Immediately prior thereto, on August 23, 1958, the property involved in H.R. 1492 was acquired by Mr. and Mrs. Wishart subject to the reservation by the United States of its 75-percent mineral estate.

The committee was informed that recently when construction was planned on the property, it was discovered that the minerals reservation of the Federal Government, with the legal right to issue leases to third parties for exploration for and extraction of any minerals that might be in the tract, constitutes a cloud on the title and renders financing difficult.

Thus, the reservation, while of no foreseeable or probable value to the U.S. Government, is in effect preventing development of privately owned land. The committee therefore recommends enactment of H.R. 1492.

TWO-YEAR EXTENSION OF BROADENED ELIGIBILITY FOR MORTGAGE INSURANCE UNDER NATIONAL HOUSING ACT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 285, House Joint Resolution 467.

The motion was agreed to; and the joint resolution (H.J. Res. 467) amending section 221 of the National Housing Act to extend for 2 years the broadened eligibility presently provided for mortgage insurance thereunder was considered, ordered to a third reading, read the third time, and passed.

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed in the RECORD, in connection with this joint resolution, certain excerpts from the committee report on it.

There being no objection, the excerpts from the report (No. 304) were ordered to be printed in the RECORD, as follows:

INTRODUCTION

The 1961 Housing Act broadened and liberalized the FHA section 221 program to permit the Commissioner of the FHA to insure the mortgages secured by single and multifamily housing constructed for low- and moderate-income families. Prior to the 1961 act, the Commissioner was authorized to insure under section 221 only those mortgages secured by single and multifamily housing for families displaced by urban renewal or other governmental action. The Congress took this action in 1961 because of the vital need for safe, decent, and adequate housing by the low- and moderate-income families of this Nation. It was evident at that time that families of low and moderate income could not be housed decently unless new FHA programs were developed that would encourage private enterprise, to the maximum extent possible, to serve the vast housing market created by low- and moderate-income families. Thus, in 1961 the Commissioner was given authority to insure mortgages secured by single and multifamily housing constructed for low- and moderate-

income families on a 3-year experimental basis, until July 1, 1963.

The purpose for the 3-year experimental program was to give the Congress an opportunity to review these programs after 3 years of operation to determine whether they were successfully fulfilling the housing needs of low- and moderate-income groups. Although the programs took a little more time than originally expected to become popular with private enterprise groups, interest in the programs has increased significantly in the recent past and the outlook for the future seems to be most favorable. It is for this reason that the committee feels that the programs should be continued for another 2-year period prior to giving consideration toward making them permanent.

PURPOSE OF RESOLUTION

House Joint Resolution 467 would provide a 2-year extension of the FHA sections 221 (d) (2) and 221 (d) (4), as they apply to low- and moderate-income families. Under present law, there is no termination date for these sections as they apply to displaced families. The committee unanimously reports House Joint Resolution 467, and urges favorable consideration of the bill promptly so that it can reach the President's desk for signature prior to the expiration date of July 1, 1963.

LOW- AND MODERATE-INCOME SALES PROGRAM (SEC. 221 (D) (2))

The section 221(d)(2) program of sales housing for low or moderate income families was enacted to provide home ownership for families of low- and moderate-income. Existing law authorizes FHA insurances of mortgages on single-family homes, both new and existing, in amounts of up to \$11,000, except that in high-cost areas the ceiling may be as high as \$15,000. The maximum term of the mortgage is 35 years, except that where necessary to enable the home-buying family to qualify on the basis of monthly payments, the Commissioner may extend the maximum maturity up to 40 years. Currently the interest rate is 5½ percent plus an additional one-half of 1 percent mortgage insurance premium. The minimum downpayment under the law is 3 percent which may include closing costs.

During 1962 the section 221(d)(2) sales housing program was second in volume among the FHA home mortgage insurance programs. Only the regular FHA section 203(b) home program exceeded the 221(d)(2) volume. The program rose to more than three times its volume in 1961. New construction mortgages doubled in 1962 (up to 10,443 units) and insurance on existing homes rose from 2,296 units to 12,951 units. During the first 3 months of 1963, applications have been received for insurance of 8,692 mortgages (both new and existing housing) under this program. There is every indication that the program is helping to provide housing for low and moderate income families and that it should be continued.

LOW- AND MODERATE-INCOME MULTIFAMILY PROGRAM (FHA SEC. 221 (D) (4))

Under the section 221(d)(4) program, rental housing is provided for low- or moderate-income families. Mortgages on private rental housing can be insured in amounts up to 90 percent of estimated replacement cost in the case of new construction. Section 221 (d) (4) can be used for rehabilitation of existing rental housing.

In 1962, nine mortgages on multifamily housing projects were insured under the (d) (4) program. During the first 3 months of 1963, applications for insurance under the rental housing program that would be continued by this resolution have been received for 6 new projects with 772 units. This number of applications in a period of only 3 months shows the growing inter-

est in this program and the need for its extension.

Mr. SPARKMAN. Mr. President, I move that the vote by which the joint resolution was passed be reconsidered.

Mr. MANSFIELD. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 274, and that the measures on the calendar be considered in sequence.

The PRESIDING OFFICER. Without objection, the request is granted. The clerk will call the items in sequence.

AMENDMENT TO STREET READJUSTMENT ACT OF THE DISTRICT OF COLUMBIA

The bill (S. 995) to amend the Street Readjustment Act of the District of Columbia so as to authorize the Commissioners of the District of Columbia to close all or part of a street, road, highway, or alley in accordance with the requirements of an approved redevelopment or urban renewal plan, without regard to the notice provisions of such act, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Street Readjustment Act of the District of Columbia, approved December 15, 1932 (47 Stat. 747; title 7, ch. 4, D.C. Code, 1961 edition), is amended by adding the following new section:

"SEC. 11. (a) Notwithstanding any other provision of this Act, whenever any redevelopment plan or urban renewal plan approved by the Commissioners of the District of Columbia pursuant to the authority contained in the Act approved August 2, 1946 (60 Stat. 790), as amended (sec. 5-705, D.C. Code, 1961 edition), requires the closing of all or part of any street, road, highway, or alley, the Commissioners of the District of Columbia are authorized to order the closing of such street, road, highway, or alley, or such part of a street, road, highway, or alley, as the case may be, without regard to the provisions of sections 2 and 4 of this Act, if they find that the District of Columbia Redevelopment Land Agency has acquired title to all or a major part of the properties abutting said street, road, highway, or alley, or said part of a street, road, highway, or alley, and, with respect to such of the said abutting properties as may not have been so acquired, the said Agency has obtained and furnished to the said Commissioners the written consent of the owners of such properties to the closing of such street, road, highway, or alley, or such part of a street, road, highway, or alley.

"(b) No public way or part of a public way may be ordered closed by the Commissioners under the authority of this section unless the Commissioners, in giving notice of the public hearing to be held on a redevelopment plan or urban renewal plan, shall have included in such notice a statement of their intention to order the closing of all or part of certain specified public ways within the area or areas covered by any such plan."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the re-

port (No. 293), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of the bill is to expedite the closing of public streets and ways, and parts thereof, embraced wholly within urban renewal plans approved by the Board of Commissioners in accordance with the District of Columbia Redevelopment Act of 1945.

Section 2 of the Street Readjustment Act of the District of Columbia (47 Stat. 748; sec. 7-402, District of Columbia Code, 1961 ed.) establishes the following requirements with respect to notice of the proposed closing of a public way:

"The Commissioners of the District of Columbia shall cause public notice of intention to be given by advertisement for not less than fourteen consecutive days, exclusive of Sundays and holidays, in a daily newspaper of general circulation printed and published in the District of Columbia, to the effect that a public hearing will be held at a time and place stated in the notice for the hearing of objections, if any, to such closing. The said Commissioners shall, not later than fourteen days in advance of such hearing, serve notice of such hearing, in writing, by registered mail, on each owner of property abutting the street, road, highway, or alley, or part thereof, proposed to be closed, or if the owner cannot be located the advertisement provided for above shall be deemed sufficient legal notice. At such hearing a map showing the proposed closing shall be exhibited, and the property owners or their representatives, and any other persons interested, shall be given an opportunity to be heard."

Section 4 of the same act provides that:

"If, after such hearing, the Commissioners are of the opinion that any street, road, highway, or alley or part thereof, should be closed, they shall prepare an order closing the same and shall cause public notice of such order to be given by advertisement for fourteen consecutive days, exclusive of Sundays, and legal holidays, in at least two daily newspapers of general circulation printed and published in the District of Columbia, and shall serve a copy of such order on each property owner abutting the street, road, highway, or alley, or part thereof, proposed to be closed by such order, and copy of such order shall be served on the owners in person or by registered mail delivered at the last known residence of such owners, or if the owner cannot be located the advertisement provided for above shall be deemed sufficient legal notice; or if he be a nonresident of the District of Columbia, by sending a copy thereof by registered mail to his last known place of address: *Provided*, That if no objection in writing be made to the Commissioners by any party interested within thirty days after the service of such order, then the said order shall immediately become effective; and the said order and plat or plats as provided for herein shall be ordered by the Commissioners of the District of Columbia recorded in the Office of the Surveyor of the District of Columbia."

In order to comply with the requirements of sections 2 and 4 of the Street Readjustment Act, it is necessary for the Surveyor of the District of Columbia to prepare a plat showing proposed closings of public ways, and thereafter recommend to the Commissioners that a public hearing be held thereon. After the requisite advertising and written notice by registered mail to each owner of property abutting the property affected by the proposed closing, and after the required public hearing, the Commissioners decide whether to proceed with the proposed closing, and if so, they issue an order to accomplish it. This order, under section 4 of the act, must be advertised for 14 consecutive days, ex-

Public Law 88-59
88th Congress, H. R. 1819
July 8, 1963



An Act

To amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2(i) Federal employees. of the Federal Employees Health Benefits Act of 1959 (73 Stat. 710; 5 Health benefits U.S.C. 3001(i)) is amended by striking out "1959" and inserting in plans. lieu thereof "1963".

(b) Section 4(3) of such Act (73 Stat. 711; 5 U.S.C. 3003(3)) is 77 STAT. 76.
amended by striking out "and which on July 1, 1959, provided health 77 STAT. 77.
benefits to members of the organization".

Approved July 8, 1963.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 190 (Post Office & Civil Service Comm.).
SENATE REPORT No. 251 (Post Office & Civil Service Comm.).
CONGRESSIONAL RECORD, Vol. 109, 1963:
May 20: Passed House.
June 26: Considered and passed Senate.

